FINANCIAL STATEMENTS 2024

PIAGGIO GROUP

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LETTER
FROM THE CHAIRMAN

LETTER FROM THE CHAIRMAN

Dear Stakeholders,

2024 was another year of geopolitical and trade uncertainty, with the continuing conflicts between Russia and Ukraine and the Middle East, important election dates in many countries, which led to shifts in the political axis and the threat of the return of tariffs and customs barriers. Inflation, although falling, has led consumers to adopt a more cautious approach to purchasing, resulting in a contraction in some sectors of the economy. Despite the fact that the challenges posed by the context have led to a reduction in volumes and turnover, the Piaggio Group, which is present in the world's main markets and has a strong portfolio of iconic brands, has managed to consolidate the good levels of margins and productivity achieved in recent years, thanks to rigorous management, while continuing to invest in innovation and renewal, in line with its history.

Indeed, 2024 was also the year of the 140th anniversary of the founding of the Piaggio Group, and for the occasion the Group's top management had the honour of being received by the President of the Republic, Hon. Professor Sergio Mattarella, at the Quirinale Palace.

Treasure the past therefore, always looking forward, projecting into the future. In addition to new products and technologies, innovation also concerned the factories, especially the one in Mandello del Lario, where Moto Guzzi motorcycles have been produced since 1921. The entire area is undergoing a major redevelopment to significantly increase production capacity and improve management according to the lean manufacturing philosophy. In addition, Moto Guzzi enthusiasts from all over the world will be able to enjoy the historic structures and an extraordinary futuristic museum will be created. It will be a state-of-the-art plant, an excellence in motorcycle production. The Pontedera plant - the Group's headquarters - is also involved in an expansion process, with an investment plan aimed at increasing production capacity and implementing a new line of electric motors dedicated to new-generation zero-emission vehicles.

The Group is also projected into the highest and most competitive technological innovation with Aprilia, protagonist in MotoGp with world champion Jorge Martin and with Marco Bezzecchi, and in off-road racing, winning in 2024 all the competitions in which it took part, including the famous Africa Eco Race.

As for electric engines, the expansion of the product range continued in 2024, with the introduction of electrified versions of the Vespa Primavera and Vespa Sprint and the new advanced version of the Piaggio 1, which guarantees an even better performance. November also saw the unveiling of the new Porter NPE, the first full electric city truck. The new electric Porter range is produced at the Italian plant in Pontedera and features innovative solutions in cybersecurity, active and passive safety, including advanced driver assistance systems (ADAS). In fact, the Piaggio Group is constantly working on developing innovative solutions that guarantee greater driving safety. Moto Guzzi Stelvio was the first motorbike to integrate the exclusive 'Pff Rider Assistance Solution' which, thanks to robotic-based radar technology derived from Piaggio Fast Forward robotics, makes riding safer in all situations.

Safety, sustainability, connectivity and competitiveness are the key drivers for offering new solutions to people's current and future mobility needs, and with this in mind, the Group will continue to invest in 2025, also confirming its commitment to ESG issues. This commitment is reflected by the top position among 88 players in the automotive sector, in Morningstar's Sustainalytics ranking, as well as the 'AA' rating for the ninth consecutive year by Morgan Stanley Capital International (MSCI) Research, (a leading ESG rating agency that assesses the environmental, social and governance (ESG) performance of major companies worldwide) and the 'B' rating (Climate Change and Water Security) from CDP (Carbon Disclosure Project). Results that reflect the medium-term path the Group has taken globally to make a tangible contribution to achieving the UN Sustainable Development Goals (SDGs).

We are convinced that two-wheelers can play an increasingly important role in helping to reduce traffic, noise and pollution in urban centres, and in helping governments and local authorities to achieve their climate targets. The Piaggio Group will once again be able to interpret and anticipate the changes taking place and the needs of customers, ready for a new long journey together.

Matteo Colaninno
Piaggio Group Chairman

REPORT ON OPERATIONS

REPORT ON OPERATIONS

KEY OPERATING AND FINANCIAL DATA

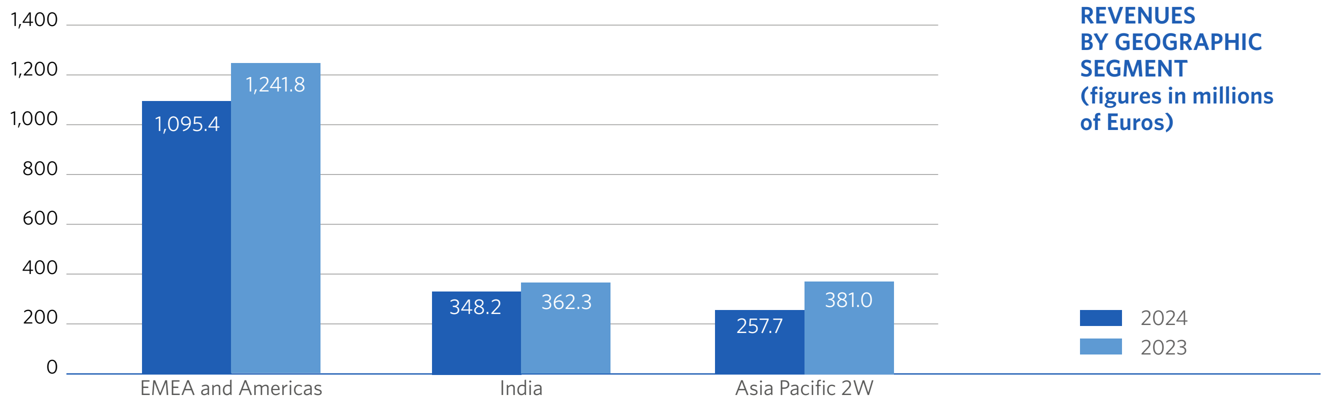
	2024	2023[1]
IN MILLIONS OF EUROS		
Operating highlights		
Net revenues	1,701.3	1,985.1
Industrial gross margin[2]	497.1	565.2
Operating income	147.7	180.7
Profit before tax	97.4	135.3
Net profit	67.2	91.1
.Non-controlling interests		
.Group	67.2	91.1
Financial highlights		
Net Capital Employed (NCE)	952.1	850.0
Consolidated net financial debt[2]	(534.0)	(434.0)
Shareholders' equity	418.2	416.0
Financial ratios		
Gross Margin as a Percentage of Net Revenues (%)	29.2%	28.5%
Net profit as a percentage of net revenues (%)	4.0%	4.6%
ROS (Operating income/net revenues)	8.7%	9.1%
ROE (Net profit/shareholders' equity)	16.1%	21.9%
ROI (Operating income/NCE)	15.5%	21.3%
EBITDA	286.7	325.0
EBITDA/net revenues (%)	16.9%	16.4%
Other information		
Sales volumes (unit/000)	481.6	559.5
Investments in property plant and equipment and intangible assets	182.7	162.9
Employees at year-end (number)	5,721	5,925
ESG Indicators		
Carbon Disclosure Project Score Climate Change	B	B
Carbon Disclosure Project Score Water Security	B	B
MSCI ESG Research	AA	AA
Sustainalytics ESG Risk Rating	8.2	

1 As a result of the contractual changes made from 2024 onwards to sell-out promotions for the Indian market, the costs of these promotions, which were previously allocated to services, are now recognised as a deduction of revenues. Although the value is to be considered negligible, €9.5 mln was reclassified from the cost of services to lower revenue in 2023, in order to allow for a better comparability with 2024 figures.

2 Please refer to the section on "Alternative Non-Gaap Performance Indicators" for the definition of the parameter.

Results by operating segments

		EMEA AND AMERICAS	INDIA	ASIA PACIFIC 2W	TOTAL
Sales volumes (unit/000)	2024	234.5	146.3	100.9	**481.6**
	2023	262.1	151.7	145.8	**559.5**
	Change	(27.7)	(5.4)	(44.9)	**(77.9)**
	Change %	-10.5%	-3.6%	-30.8%	**-13.9%**
Net revenues[3] (millions of Euros)	2024	1,095.4	348.2	257.7	**1,701.3**
	2023	1,241.8	362.3	381.0	**1,985.1**
	Change	(146.3)	(14.2)	(123.3)	**(283.7)**
	Change %	-11.8%	-3.9%	-32.4%	**-14.3%**
Average number of employees (no.)	2024	3,541.1	1,405.8	1,138.8	**6,085.7**
	2023	3,615.6	1,391.0	1,225.4	**6,232.0**
	Change	(74.5)	14.8	(86.7)	**(146.3)**
	Change %	-2.1%	1.1%	-7.1%	**-2.3%**
Investments in Property, plant and equipment and intangible assets (millions of Euros)	2024	144.1	23.7	14.9	**182.7**
	2023	112.8	32.1	18.0	**162.9**
	Change	31.3	(8.3)	(3.2)	**19.8**
	Change %	27.8%	-26.0%	-17.5%	**12.2%**



REVENUES BY GEOGRAPHIC SEGMENT (figures in millions of Euros)

SALES VOLUMES BY GEOGRAPHIC SEGMENT - 2024

3 As a result of the contractual changes made from 2024 onwards to sell-out promotions for the Indian market, the costs of these promotions, which were previously allocated to services, are now recognised as a deduction of revenues. Although the value is to be considered negligible, €9.5 mln was reclassified from the cost of services to lower revenue in 2023, in order to allow for a better comparability with 2024 figures.

HISTORY

1884

Rinaldo Piaggio establishes Piaggio & C., based in Sestri Ponente, dedicated to naval fittings.

1916

Aeronautical production activity begins.

1924

Acquisition of the Pontedera plant dedicated to the production of various vehicles for the transport sector: cable cars, funiculars, trailers, tramways, trucks, trolleybuses.

1938

Rinaldo Piaggio dies. The company passes into the hands of his sons Armando and Enrico. Armando deals with the production units of Genoa-Sestri and Finale Ligure, dedicated above all to aeronautical and railway activity, Enrico instead is dedicated to the sites at Pisa and Pontedera.

1946

From the creativity of Corradino d'Ascanio, the brilliant aeronautical designer who was behind the design of the first modern helicopter is due, the Vespa came into being, wanted by Enrico Piaggio as a contribution to the motorization of Italy with a simple, low-cost vehicle, everyone could use.

1948

The APE comes into being, Piaggio's first light three-wheeler transport vehicle.

1964

I.A.M Rinaldo Piaggio (aeronautical-railway sector) is separated from Piaggio & C. (scooter sector).

1965

Enrico Piaggio dies and Umberto Agnelli succeeds him as president.

1967

Presentation of the Ciao.

1969

GILERA

Gilera, the well-known motorcycle manufacturer of Arcore, is acquired, a source of pride for Italian technology and capacity in the motorcycle sector.

1990

Sfera comes into being, the first scooter with plastic bodywork produced in Pontedera.
Giovanni Alberto Agnelli is elected president.

1992

The Porter is created, Piaggio's first 4-wheeler commercial vehicle.

1996

Presentation of the new Vespa.

1997

Giovanni Alberto Agnelli dies prematurely.

1998

Establishment with Greaves Ltd of the joint venture Piaggio Greaves Vehicles Private Ltd in India for the production and sale of light commercial vehicles.

2001

DERBI

Acquisition of full ownership of the stake in the Indian company.
Acquisition of Derbi Nacional Motor, a historic Spanish motorcycle manufacturer that is a leader in small-capacity motorcycles.

2003

Acquisition of control of the Piaggio Group by Immsi Spa. Roberto Colaninno becomes Chairman of the Group.

2004

aprilia

MOTO GUZZI

Acquisition of the Aprilia - Moto Guzzi Group: thus the Italian two-wheeler hub came about.

2006

Listing of Piaggio & C. on the Milan Stock Exchange.
Presentation of the Piaggio MP3, the first three-wheeler scooter.

2009

Inauguration of the new Vietnamese plant in Vinh Phunc and the start sales of the Vespa LX scooters produced there.
Unveiling of the Piaggio MP3 Hybrid, the world's first hybrid scooter.

2012

Inauguration of the new Piaggio Group plant in Baramati, India dedicated to the production of the Vespa LX 125, specifically developed for the Indian subcontinent market.

2014

The first Motoplex is established in Mantova, a new and revolutionary "concept store" that makes the most of the Piaggio Group at a single location.

2015

Establishment in Cambridge, Massachusetts, USA of a new company called Piaggio Fast Forward controlled by the Piaggio Group with the aim of developing a new way of doing research, to interpret the signals of change and find solutions for the future.

2018

Commercial launch of the Vespa Elettrica.

2021

PIAGGIO 1

Commercial launch of the Piaggio1.

2022

Opening of a new production facility in Indonesia.

2023

Roberto Colaninno dies. His sons Matteo and Michele are nominated President and CEO respectively.

GROUP PROFILE

The Piaggio Group, headquartered in Pontedera (Pisa, Italy), is one of the world's leading manufacturers of powered two-wheelers and is also an international player in the commercial vehicle sector. Today the Piaggio Group has three distinct core segments:

- two-wheelers, scooters and motorcycles from 50cc to 1,100cc, flanked by the Fashion division, set up following the launch in January 2024 of the Fashion & Apparel project, created to establish a Vespa collective that unites art, fashion and culture;
- light commercial vehicles, 3- and 4-wheelers;
- the robotics division with Piaggio Fast Forward, the Group's research centre on the mobility of the future based in Boston.

MISSION

We are dedicated to the mobility of people and things through high-value products and services that redesign and improve our lifestyles.

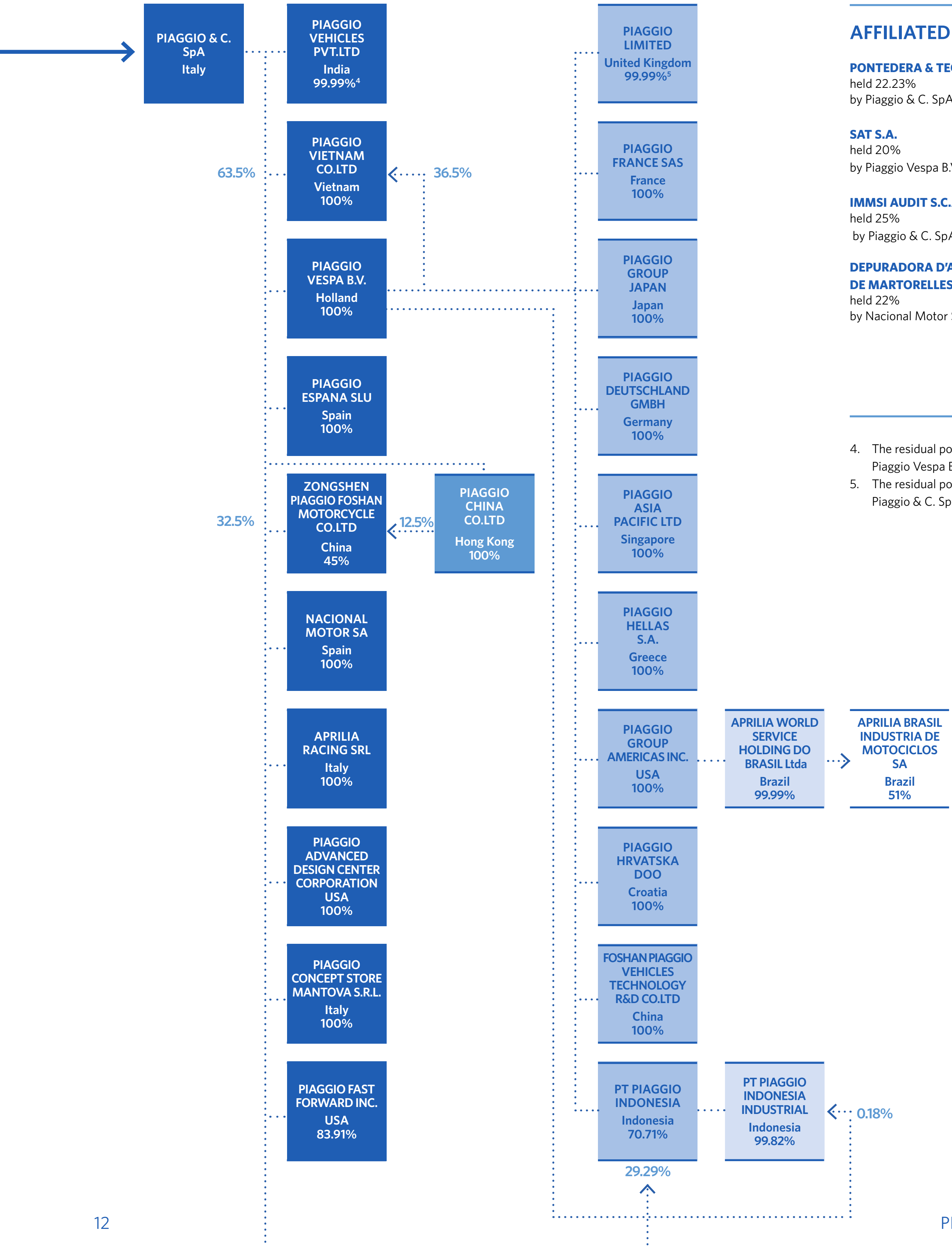
We are committed to broadening the horizons of our brands and products by constantly promoting technological innovation, uniqueness of design, attention to quality and safety, respecting communities and the environment.

We are customer-driven. The customer's satisfaction, safety, pleasure and emotions come first. We develop products to customer requirements, accompanying the changes in the ecosystem within which customers move.

We believe in people as our fundamental heritage, in their skills and genius, and we do so consistently with our deepest values, such as integrity, transparency, equal opportunities, respect for individual dignity and diversity.

For these reasons, we are not just vehicle manufacturers. Through technological and social progress, we champion global mobility, in a responsible and sustainable way. Our aim is to make the quality of our life and that of future generations better.

COMPANY STRUCTURE AT 31 DECEMBER 2024



AFFILIATED COMPANIES

PONTEDERA & TECNOLOGIA S.C.A.R.L.
held 22.23%
by Piaggio & C. SpA

SAT S.A.
held 20%
by Piaggio Vespa B.V.

IMMSI AUDIT S.C.A.R.L.
held 25%
by Piaggio & C. SpA

DEPURADORA D'AIGUES DE MARTORELLES
held 22%
by Nacional Motor S.A.

4. The residual portion is held by Piaggio Vespa B.V.
5. The residual portion is held by Piaggio & C. SpA

COMPANY BOARDS

BOARD OF DIRECTORS	
Executive Chairman	Matteo Colaninno
Chief Executive Officer	Michele Colaninno(1)
Directors	Alessandro Lai(2),(3),(4)
	Graziano Gianmichele Visentin(3),(4)
	Carlo Zanetti
	Andrea Formica(5)
	Ugo Ottaviano Zanello
	Micaela Vescia(5)
	Paola Mignani (4)
	Patrizia Albano
	Rita Ciccone(3),(5)
	Raffaella Annamaria Pagani
MANAGEMENT CONTROL COMMITTEE	
Chairman	Raffaella Annamaria Pagani
	Alessandro Lai
	Paola Mignani
SUPERVISORY BODY	
	Antonino Parisi
	Giovanni Barbara
	Fabio Grimaldi
Chief Financial Officer and Executive in Charge of Financial and Sustainability Reporting	Alessandra Simonotto
Independent Auditors	Deloitte & Touche S.p.A.
Board Committees	Appointment Proposal and Remuneration Committee
	Internal Control Risk and Sustainability Committee
	Related Party Transactions Committee

(1) Director responsible for the internal control system and risk management

(2) Lead Independent Director

(3) Member of the Appointment Proposal and Remuneration Committee

(4) Member of the Internal Control Risk and Sustainability Committee

(5) Member of the Related-Party Transactions Committee

ORGANISATIONAL STRUCTURE

As of 31 December 2024, Piaggio's organisation was structured through the following first-level functions:

- **Finance Department:** responsible for the administration, finance, planning and control and information technology functions and for the coordination and reporting of sustainability activities.
- **Legal & Tax:** responsible for support activities concerning legal aspects, providing assistance in contractual matters, managing the Group's litigation issues, ensuring the global protection of the Group's brands, ensuring the management of corporate legal obligations, as well as those relating to tax, customs and intercompany matters.
- **Human Resources Management:** responsible for the selection, management and development of human resources, as well as the management of industrial relations.
- **Marketing and Communication Management:** responsible for managing and coordinating global commercial communication, digital marketing and customer experience activities, as well as overseeing brand image and awareness for the Group's brands and the management of the Museums and Historic Archives of the Group's brands. It also manages and coordinates communication activities and relations with the media and end consumers, and ensures the global management and coordination of relations with product and racing media.
- **Product Development and Marketing Division:** responsible for identifying market/customer needs, opportunities arising from technological innovation and regulatory developments, in order to support vehicle concept definition activities as part of the evolution of the product range and responsible for global styling activities for the Group's brands.
- **Racing:** responsible for racing activities.
- **2-Wheeler R&D Department:** responsible for technological innovation, engineering, reliability and quality activities related to scooters, motorcycles and 2-wheeler engines, as well as for ensuring the protection of industrial property related to the Group's technical patents and models.
- **3-4 Wheeler Product Development Department:** responsible for styling, engineering, reliability and quality activities related to commercial vehicles and 3-4 wheeler engines.
- **Product Manufacturing Department:** responsible for ensuring the production and quality of products, managing production technologies, infrastructures and facilities, ensuring after-sales activities, spare parts sales and distribution of spare parts and accessories, guaranteeing the achievement of turnover.
- **Purchasing:** responsible for purchasing activities and supplier management, including in-bound logistics activities.
- **Materials Management:** responsible for managing vehicle distribution logistics activities and optimising commercial and production planning processes.
- **Italy, EMEA and America 2-Wheelers Department,**
- **Emea and Emerging Markets 3-4 Wheelers Department:** each Department, for the area and products within its competence, is responsible for the achievement of sales objectives, defining pricing policies for individual markets and identifying appropriate actions for the development of the sales network, through the co-ordination of sales companies present in Europe, as well as the management of corporate sales to Major Customers and Central Public Administrations at a European level.
- **Asia Pacific 2 Wheeler:** responsible for ensuring the coordination of Piaggio Vietnam, Piaggio Asia Pacific, Piaggio Group Japan and Piaggio Indonesia to guarantee the commercial and industrial profitability, turnover, market share and customer satisfaction of the Group's 2-wheeler vehicles, through the management of production and sales on reference markets.
- **China:** responsible for overseeing operations in the area through the coordination of the Foshan Piaggio Vehicles Technology Research & Development Company.

- **Piaggio Vehicles Private Limited:** responsible for ensuring the commercial and industrial profitability, turnover, market share and customer satisfaction of the Group's commercial vehicles and scooters in India, through the management of production and sales in the relevant markets.

- **Accessories & Merchandising Division:** responsible for organising processes and scheduling activities related to the accessories, merchandising, fashion and lifestyle business.

- **Internal Audit:** responsible for developing all activities pertaining to and functional to internal auditing to improve the effectiveness and efficiency of the internal control system and assess its functionality.

- **Corporate Press Office:** responsible for managing and coordinating relations with the media for corporate activities, getting newspapers to participate in institutional events, drafting information messages and disseminating press releases.

- **Investor Relations:** responsible for promoting the Piaggio share and handling relations with the national and international financial community.

- **Regulatory Affairs:** responsible for monitoring regulatory developments worldwide, ensuring consistency at Group level.

STRATEGY AND LINES OF DEVELOPMENT

Business strategy

The Piaggio Group aims to create value through a strategy of:
- strengthening its leadership position in the European two-wheeler and Indian light commercial vehicle markets, also with a view to climate change related to the transition towards the use of renewable energy sources;
- growth on international markets, with particular reference to the Asian region;
- increased operational efficiency across all business processes, with a focus on industrial productivity.

EMEA and Americas

Europe 2-Wheeler - making the most of the market recovery by leveraging its leading position in the scooter sector. Focussing on the Aprilia and Moto Guzzi brands to improve sales and profitability in the motorcycle sector. Expansion of the electric-powered vehicle range, leveraging technology and design leadership, as well as the strength of the distribution network.
America 2-Wheeler - growth through the introduction of premium Aprilia and Moto Guzzi products and the strengthening of the sales network.
Europe Commercial Vehicles - maintenance based on eco-sustainable solutions, with a product range developed for new engines featuring a low or zero-environmental impact and reduced consumption.

India

2 Wheeler - strengthening the position in the scooter market through the expansion of the Vespa and Aprilia branded range and growth in the motorcycle segment in the wake of the Aprilia RS 457 successfully introduced and named ‘Bike of the Year’ in 2024.
Commercial Vehicles - growth in volumes and profitability, consolidating the strong competitive position in the local three-wheeler market and boosting vehicle exports to Africa and Latin America.

Asia Pacific 2W

Development: the aim is to increase scooter sales throughout the region (Vietnam, Indonesia, Thailand, Malaysia, Taiwan), explore opportunities for medium-sized motorcycles, and strengthen penetration in the premium segment of the Chinese market.

Key Assets

The Group will consolidate its business position by levering and investing in the potential of its key assets:
- distinctive brands, recognised worldwide;
- an extensive sales network in the relevant markets;
- research and development expertise, focusing on innovation, safety and the environment;
- a strong international presence, with local operations for all core company processes, from marketing to research and development, production and purchasing.

Sustainability strategy

The Group’s sustainability strategic objectives, integrated and strongly correlated to the development of the long term Plan and the Decarbonisation Plan, are described in the Consolidated Sustainability Statement.

PIAGGIO AND THE FINANCIAL MARKETS

INVESTOR RELATIONS

Piaggio believes that financial communication is of crucial importance in building a relationship of trust with the financial market.
In particular, the Investor Relations function engages institutional and individual investors as well as financial analysts in an ongoing dialogue, producing transparent, timely and accurate information to promote a correct perception of the Group's value.
During 2024, numerous opportunities for engagement with the financial community were promoted, through participation in roadshows and conferences held almost exclusively online, in order to limit the environmental impact of Investor Relations activities.
In addition, there are conference calls managed by the IR function and institutional events to announce quarterly results.
To ensure adequate reporting and compliance with Borsa Italiana and Consob regulations, the Company's website is promptly and continually updated with all information concerning the Group and key corporate documents, published in both Italian and English.
In particular, press releases disclosed to the market, the Company's periodic financial reports, data on business and financial performance, material used in meetings with the financial community, the Piaggio share consensus, as well as corporate governance documents (articles of association, insider trading and material concerning shareholders' meetings) are all published online.

Contact Investor Relations Office
Raffaele Lupotto - Executive Vice President, Head of Investor Relations
Email: investorrelations@piaggio.com
Tel: +39 0587 272286
Fax: +39 0587 276093

OWNERSHIP STRUCTURE

As of 31 December 2024, the share capital was divided among 354,632,049 ordinary shares. As of the same date, the ownership structure, according to the results of the shareholders' register, supplemented by the notices received pursuant to Article 120 of Legislative Decree no. 58/1998 and other available information, was composed as follows:

SHARE PERFORMANCE

Since 11 July 2006, Piaggio & C. SpA has been listed on the Milan Stock Exchange. In 2024, Piaggio's share price fell by 26% in a year that saw a negative trend for all major competitors in Western countries.

PRICE AND DAILY VOLUMES

MAIN SHARE INDICATORS

	2024	2023
Official share price on the last day of trading (euro)	2.180	2.978
Number of shares (no.)	354,632,049	354,632,049
Treasury shares (no.)	1,036,661	426,161
Earnings per share (euro)		
Basic earnings	0.190	0.257
Diluted earnings	0.190	0.257
Shareholders' equity per share (euro)	1.18	1.17
Market capitalisation (millions of Euros)[6]	773.1	1,056.1

GROUP RATING

	31/12/2024	31/12/2023
Standard & Poor's		
Corporate	BB-	BB-
Outlook	Stable	Positive
Moody's		
Corporate	Ba3	Ba3
Outlook	Stable	Stable
MSCI ESG Research	AA	AA
Sustainalytics ESG Risk Rating[7]	8.2	

DIVIDENDS

Since 2019, Piaggio has adopted a new policy to distribute dividends with the distribution of an interim dividend during the year (rather than a single distribution), to align with other international companies in the two-wheeler sector, also with the aim of optimising cash flow management, considering the seasonal nature of the business.

SUMMARY OF DIVIDENDS PAID BY PIAGGIO & C. S.P.A.

	DIVIDEND PAID IN THE YEAR					
	TOTAL			PER SHARE		
	2024	2023	2022	2024	2023	2022
	€/000	€/000	€/000	€	€	€
Of the previous year's result	28,336	35,461	23,203	0.08	0.100	0.065
Interim dividend for current year's result	40,734	44,295	30,200	0.115	0.125	0.085

6 Source: Borsa Italiana.

7 In October 2024, the Piaggio Group received an ESG rating of 8.6 (negligible risk) from Sustainalytics, on a rating scale ranging from 0 (low risk) to +40 (high risk). In January 2025, the rating improved further to 8.2. The assessment covered the risk of suffering material financial impacts caused by ESG issues.

SIGNIFICANT EVENTS DURING THE YEAR

15 January 2024 - Jacopo Cerutti with an Aprilia Tuareg, triumphed on his debut in the Africa Eco Race 2024. Always in the lead from the first to the last, over 6,000 kilometres, the Italian off-roader has proven to be a winning project.

19 January 2024 - The Vespa expressed all its lifestyle vocation with the new Fashion & Apparel project, conceived to create a Vespa collective that unites art, fashion, music and all other cultural experiences for a mythical journey around the world.
The official debut took place in Hong Kong, with the presentation of a Varsity Jacket inspired by the new Vespa 946 Dragon. The Vespa 946 Dragon has been produced in a limited edition of 1,888 units, and is intended to celebrate the year of the dragon in the lunar calendar.

12 March 2024 - Piaggio Fast Forward (PFF) unveiled kilo™, the revolutionary robot with smart following technology. Making its world premiere at Modex, the leading US trade fair for the supply chain industry, kilo™ is a hands-free robot platform with a load capacity of up to 130kg. In the redevelopment and modernisation project that will involve the Mandello del Lario production plant, the Piaggio Group has planned to integrate the kilo™ robot on its production lines; kilo™ will then be used at the Group's other production hubs in Italy, India, Vietnam and Indonesia.

27 March 2024 - The President of the Republic, Sergio Mattarella, received the Executive Chairman of the Piaggio Group, Matteo Colaninno, and the Chief Executive Officer, Michele Colaninno, at the Quirinale Palace on the occasion of the 140th anniversary of the Company's foundation.

15 April 2024 - The Ministry of Enterprise and Made in Italy authorised a Development Contract proposed by the Piaggio Group, which envisages an investment plan of approximately €112 million to expand production at Pontedera plant, in the province of Pisa. The industrial development programme, called 'E-Mobility', includes the introduction and development of a new line of electric motors dedicated to next-generation zero-emission vehicles and five industrial research and experimental development projects, aimed at the development of components and systems for electric-powered vehicles, as well as the development of solutions in the digital area, covering safety and vehicle status monitoring, advanced driver assistance systems and complete cybersecurity systems.

15 April 2024 - Maverick Viñales and Aprilia triumphed in the Grand Prix of the Americas, giving the Noale-based manufacturer victory number 298 in its MotoGP history.

17 April 2024 - The Shareholders' Meeting of Piaggio & C. S.p.A., approved the adoption of the new wording of the Company's Articles of Association, and therefore the adoption of the "one-tier" administration and control model. It also appointed the Board of Directors by approving the proposal submitted by the shareholder Immsi S.p.A. to set the number of its members at 12, the majority of whom, i.e. 9 members, declared that they meet the independence requirements of applicable regulations. The term of office of the Board of Directors was set at three financial years, until the Shareholders' Meeting called to approve the Financial Statements as of 31 December 2026. The following Directors were appointed: Matteo Colaninno, Michele Colaninno, Alessandro Lai (independent director, who meets the requirements set forth in Article 25 of the Articles of Association for appointment as a member of the Management and Control Committee, also enrolled in the Register of Statutory Auditors), Graziano Gianmichele Visentin (independent director, who meets the requirements set forth in Article 25 of the Articles of Association for appointment as a member of the Management and Control Committee, also enrolled in the Register of Statutory Auditors), Carlo Zanetti, Andrea Formica (independent director), Ugo Ottaviano Zanello (independent director, who meets the requirements set forth in Article 25 of the Articles of Association for appointment as a member of the Management and Control Committee, also enrolled in the Register of Statutory Auditors), Micaela Vescia (independent director, who meets the requirements set forth in Article 25 of the Articles of Association for appointment as a member of the Management and Control Committee), Paola Mignani (independent director, who meets the requirements set forth in Article 25 of the Articles of Association for appointment as a member of the Management and Control Committee, also enrolled in the Register of Statutory Auditors), Patrizia Albano (independent director, who meets the requirements set forth in Article 25 of the Articles of Association for appointment as a member of the Management and Control Committee), Rita Ciccone (independent director), all taken from the majority list presented by IMMSI S.p.A. (which obtained 64.508% of the votes), as well as Raffaella Annamaria Pagani (independent director, who meets the requirements set forth in Article 25 of the Articles of Association for appointment as a member of the Management and Control Committee, also enrolled in the Register of Statutory Auditors), taken from the minority list presented by a group of investors (which obtained 27.690% of the votes), not connected even indirectly with the shareholders who hold a majority stake in the Company.

18 - 21 April 2024 - To mark Piaggio's 140th anniversary, the town of Pontedera, where the Vespa came into being and has been manufactured ever since 1946, hosted the annual gathering of Vespa Clubs from all over the world for the first time ever. It was a record edition: more than thirty thousand Vespa riders attended, with a total of twenty thousand Vespas and 55 national Vespa Clubs officially represented.

4 June 2024 - The Piaggio Group announced that the Court of Cassation had declared the appeal by Peugeot Motocycles SAS and Peugeot Motocycles Italia against the ruling of 16 January 2023 of the Court of Appeal of Milan inadmissible, having found, in line with the Court of Milan (in the first instance), that the latter had infringed the Italian portion of a European patent of Piaggio & C. S.p.A., with reference to the Peugeot Metropolis vehicle. As a result of the aforesaid ruling, the previous ruling handed down by the Court of Appeal of Milan became final and the infringement of the Italian portion of the European patent of Piaggio & C. S.p.A. was therefore definitively established, with an injunction against Peugeot Motocycles Italia to import, export, market and advertise (including through the Internet) the Peugeot Metropolis on Italian territory, and Piaggio & C. S.p.A.'s right to obtain compensation for the damage suffered.

8 June 2024 - The 2024 edition of Aprilia All Stars held at the Misano circuit was such a success that it surpassed previous editions. Over twenty thousand people arrived from all over Italy and Europe to celebrate Aprilia, its bikes, its riders and its history.

11 June 2024 - Michele Colaninno, Chief Executive Officer of the Piaggio Group, was elected for a second term as Chairman of ACEM (Association des Constructeurs Européens de Motocycles), the Brussels-based European motorcycle industry association in which all the world's motorcycle and scooter groups participate.

12 September 2024 - The European Association of Motorcycle Manufacturers (ACEM), which represents the industry, and the Federation Internationale de Motocyclisme (FIM, founded in 1904), which represents motorcyclists and the sport, met in Brussels to host a joint event with the common goal of improving mobility together with leaders of European Union institutions.

16 September 2024 - Piaggio presented the new Porter NP6 2025 range, with new interior fittings and new technical equipment. Safety aspects have also made considerable progress, thanks to the adoption of a comprehensive range of electronic vehicle control, ride control and driver assistance devices. This extremely comprehensive set of ADAS functions feature alongside new equipment for an even greater comfort and full compliance with GSR step 2 and cyber security regulations.

16 September 2024 - The rider Alessandro Di Mario was crowned champion of the Twins Cup class in the MotoAmerica Championships, riding the Aprilia RS 660.

26 September 2024 - The Piaggio MP3 310 came into being - the third generation of the most agile and lightest model of the vehicle that has revolutionised urban and metropolitan mobility by setting new standards of comfort, safety and driving fun. The Piaggio MP3 310 can be driven with a car licence only, thanks to Piaggio's exclusive three-wheel technology, and debuts with a completely new engine: the Euro 5+, 310 HPE engine, featuring an increased cubic capacity and numerous interventions designed to enhance the riding experience not only in terms of performance, but also in terms of comfort and manoeuvrability, all combined with a reduction in fuel consumption.

4 October 2024 - Aprilia Racing announced that as from November 2024, Fabiano Sterlacchini would take over as Technical Director of the Aprilia team. Fabiano Sterlacchini's arrival is an important step towards further consolidating the MotoGP project after the signing of two riders, Jorge Martín and Marco Bezzecchi.

21 October 2024 - After its triumph in 2023, Aprilia Tuareg Racing also dominated the 2024 season of the Italian Motorally Championship, confirming the competitiveness of the Tuareg 660 and the team's excellent work. The last stage, held in Olbia, Sardinia, saw Jacopo Cerutti win in the G-1000 class and Claudio Spanu in the FX class.

5 November 2024 - The Piaggio Group was in the spotlight at Eicma, the International Motorcycle and Accessories Exhibition, showcasing a number of great new products for all its brands. Aprilia presented its fully revamped motorcycle range, with the Tuareg rally and the new Tuono 457, an easy, lightweight and high-performance naked sports bike dedicated to a younger target. The new Factory range features the most exclusive Aprilia bikes, and now includes the RS 660, Tuono 660, Tuono V4 and RSV4, the type-approved superbike production model with 220 hp. Moto Guzzi presented the new V7 range, including the V7 sport, the model with the most sporting flair of Mandello's iconic bikes. A special version of the Stelvio has been created, while the V100 range welcomed the arrival of the new Wind Tunnel and the PFF version equipped with advanced active safety systems. Vespa presented the GTS 310, the most agile and powerful model ever built. Piaggio presented the new Liberty, with a revamped style and technology. The new high-wheel scooter range welcomed the Beverly, with its new 310 engine, and the Medley, now also available in a 200 engine version.

5 November 2024 - The Piaggio Group unveiled the new Piaggio Porter NPE at Ecomondo -The Green Technology Expo, at the Rimini Exhibition Centre. The compact and high-performance Piaggio Porter is now available as a brand new version, with electric drive. An unrivalled manoeuvrability, comfort and range are combined with the new zero-emission engine, for short and medium-distance goods transport, even in restricted traffic areas.

FINANCIAL POSITION AND PERFORMANCE OF THE GROUP

CONSOLIDATED INCOME STATEMENT

Consolidated income statement (reclassified)

	2024		2023[8]			CHANGE
	IN MILLIONS OF EUROS	ACCOUNTING FOR A %	IN MILLIONS OF EUROS	ACCOUNTING FOR A %	IN MILLIONS OF EUROS	%
Net revenues	1,701.3	100.0%	1,985.1	100.0%	(283.7)	-14.3%
Cost to sell[9]	1,204.2	70.8%	1,419.9	71.5%	(215.7)	-15.2%
Industrial gross margin[9]	**497.1**	**29.2%**	**565.2**	**28.5%**	**(68.0)**	**-12.0%**
Operating expenses	349.4	20.5%	384.5	19.4%	(35.1)	-9.1%
Operating income	**147.7**	**8.7%**	**180.7**	**9.1%**	**(32.9)**	**-18.2%**
Result of financial items	(50.4)	-3.0%	(45.3)	-2.3%	(5.0)	11.1%
Profit before tax	**97.4**	**5.7%**	**135.3**	**6.8%**	**(38.0)**	**-28.1%**
Income taxes	30.1	1.8%	44.3	2.2%	(14.1)	-31.9%
Net profit (loss) for the period	**67.2**	**4.0%**	**91.1**	**4.6%**	**(23.8)**	**-26.2%**
Operating income	**147.7**	**8.7%**	**180.7**	**9.1%**	**(32.9)**	**-18.2%**
Amortisation/depreciation and impairment costs	138.9	8.2%	144.3	7.3%	(5.4)	-3.7%
EBITDA[9]	**286.7**	**16.9%**	**325.0**	**16.4%**	**(38.3)**	**-11.8%**

Net revenues

	2024	2023	CHANGE
IN MILLIONS OF EUROS			
EMEA and Americas	1,095.4	1,241.8	(146.3)
India	348.2	362.3	(14.2)
Asia Pacific 2W	257.7	381.0	(123.3)
Total	**1,701.3**	**1,985.1**	**(283.7)**
Two-wheelers	1,298.3	1,533.4	(235.1)
Commercial Vehicles	403.0	451.7	(48.7)
Total	**1,701.3**	**1,985.1**	**(283.7)**

In terms of consolidated **sales**, the Group ended 2024 with a decrease in net revenues compared to 2023 (-14.3%).
All markets showed a decline: Emea and Americas -11.8%, Asia Pacific (-32.4%; -30.4% at constant exchange rates) and India (-3.9%; -2.6% at constant exchange rates).
With regard to the type of vehicles sold, both Two-Wheelers (-15.3%) and Commercial Vehicles (-10.8%) decreased. The percentage of Two-wheelers accounting for total turnover rose from 77.2% in 2023 to the current figure of 76.3%; conversely, the percentage of Commercial Vehicles accounting for total turnover rose from 22.8% in 2023 to the current figure of 23.7%.

8 As a result of the contractual changes made from 2024 onwards to sell-out promotions for the Indian market, the costs of these promotions, which were previously allocated to services, are now recognised as a deduction of revenues. Although the value is to be considered negligible, €9.5 mln was reclassified from the cost of services to lower revenue in 2023, in order to allow for a better comparability with 2024 figures.

9 Please refer to the section on "Alternative Non-Gaap Performance Indicators" for the definition of the parameter.

The Group's **Industrial gross margin** decreased from the previous year (€-68.0 million) to 29.2% (28.5% in 2023). Amortisation/depreciation included in the Industrial gross margin was equal to €39.0 million (€38.9 million in 2023).

Operating expenses incurred in 2024 amounted to €349.4 million, decreasing from the previous year (€384.5 million in 2023).

The changes in the income statement described above resulted in a consolidated **EBITDA** of €286.7 million, decreasing over the previous year (€325.0 million in 2023). In relation to net revenues, EBITDA was equal to 16.9%, (16.4% in 2023).

Operating income (**EBIT**), at €147.7 million, decreased compared to 2023 (€-32.9 million); in relation to net revenues, EBIT was equal to 8.7% (9.1% in 2023).

The result from **financial assets** deteriorated compared to the previous year by €5.0 million, recording Net Expenses of €50.4 million (€45.3 million in 2023). The poorer performance compared to values from the corresponding period of the previous year is essentially due to higher indebtedness and the refinancing of the debenture loan, partially mitigated by the positive impact of currency management and the higher capitalisation of financial charges on fixed assets.

Taxes for the period amounted to €30.1 million, whereas they came to €44.3 million in 2023. In 2024, taxes in the pre-tax result came to 31.0% (32.7% in 2023).

Net profit amounted to €67.2 million (4.0% of turnover), down from the previous year's result of €91.1 million (4.6% of turnover).

Operating data

VEHICLES SOLD

	2024	2023	CHANGE
IN THOUSANDS OF UNITS			
EMEA and Americas	234.5	262.1	(27.7)
India	146.3	151.7	(5.4)
Asia Pacific 2W	100.9	145.8	(44.9)
Total	**481.6**	**559.5**	**(77.9)**
Two-wheelers	359.9	436.3	(76.4)
Commercial Vehicles	121.7	123.3	(1.6)
Total	**481.6**	**559.5**	**(77.9)**

In 2024, the Piaggio Group sold 481,600 vehicles worldwide, with a drop in volume of approximately 13.9% compared to the previous year, when 559,500 vehicles were sold.
With regard to product type, sales of both Two-Wheelers (-17.5%) and Commercial Vehicles (-1.3%) declined.
For a more detailed analysis of market trends and results, please refer to the specific sections.

R&D

In 2024, the Piaggio Group continued its policy aimed at maintaining technological leadership in the sector, allocating total resources of €65.7 million to R&D, of which €47.2 million capitalised under intangible assets as development costs.
The Piaggio Group is convinced of the importance of exchanging knowledge and ideas, and of the resulting encouragement that can lead to improvements in technologies, methodologies and products. This is why the Group has always been involved on many fronts, with the aim of strengthening synergies between research and its industrial environment.
The Group has ongoing exchange and research relations with universities and research centres. In particular, the objective of supporting continual innovation has been pursued in recent years through:
- partnerships in research and development projects;
- participation in European Projects;
- experimental research dissertations.

R&D COSTS

IN MILLIONS OF EUROS			2024			2023
	CAPITALISED	EXPENSES	TOTAL	CAPITALISED	EXPENSES	TOTAL
Two-wheelers	33.0	15.5	48.5	18.6	18.6	37.2
Commercial Vehicles	14.2	3.0	17.2	26.6	3.4	30.0
Total	**47.2**	**18.5**	**65.7**	**45.2**	**22.0**	**67.2**
EMEA and Americas	35.3	16.6	51.9	32.5	17.9	50.3
India	7.3	1.3	8.6	9.1	2.1	11.2
Asia Pacific 2W	4.6	0.6	5.3	3.7	2.0	5.7
Total	**47.2**	**18.5**	**65.7**	**45.2**	**22.0**	**67.2**

*The figures shown do not include research, development and prototyping costs incurred by Piaggio Fast Forward.

The intense research and development carried out by the Group at its research centres has continually led to patent registrations in the countries where Piaggio operates.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION[10]

STATEMENT OF FINANCIAL POSITION	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
IN MILLIONS OF EUROS			
Net working capital	(127.6)	(178.7)	51.1
Property, plant and equipment	304.5	287.5	17.0
Intangible assets	793.6	754.1	39.5
Rights of use	33.7	36.9	(3.2)
Financial assets	7.1	8.5	(1.4)
Provisions	(59.2)	(58.4)	(0.9)
Net Capital Employed	**952.1**	**850.0**	**102.1**
Net financial debt	534.0	434.0	99.9
Shareholders' equity	418.2	416.0	2.2
Sources of financing	**952.1**	**850.0**	**102.1**
Non-controlling interests	(0.1)	(0.2)	0.0

Net working capital as of 31 December 2024 was negative and amounted to €127.6 million, with approximately €51.1 million cash used during 2024.

Property, plant and equipment amounted to €304.5 million, increasing by approximately €17.0 million compared to 31 December 2023. Capital expenditure for the period (about €68.1 million) and the positive effect of exchange rate fluctuations (about €2.8 million) more than offset the impact of depreciation (about €52.6 million) and divestments (about €1.3 million).

Intangible assets totalled €793.6 million, up by approximately €39.5 million compared to 31 December 2023. This growth was mainly due to investments in the period, the value of which exceeded depreciation by approximately €38.4 million. Finally, the change in exchange rates generated a positive impact of about €1.1 million.

Rights of use, equal to €33.7 million, decreased by approximately €3.2 million compared to figures as of 31 December 2023.

Financial assets totalled €7.1 million, decreasing compared to figures for the previous year (€8.5 million).

10 For the definition of the individual items in the table, please refer to the section on "Non-GAAP Alternative Performance Indicators".

Provisions totalled €59.2 million, increasing compared to 31 December 2023 (€58.4 million).

As fully described in the next section on the 'Condensed Consolidated Statement of Cash Flows', **net financial debt** as of 31 December 2024 was equal to €534.0 million, compared to €434.0 million as of 31 December 2023, a growth of some €99.9 million.

Shareholders' equity as of 31 December 2024 amounted to €418.2 million, an increase of approximately €2.2 million compared to 31 December 2023.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

The consolidated statement of cash flows prepared in accordance with the IFRS format is included in the 'Consolidated Financial Statements and Notes as of 31 December 2024'. The following is a commentary, with reference to the condensed form presented below.

CHANGE IN CONSOLIDATED NET FINANCIAL DEBT	2024	2023	CHANGE
IN MILLIONS OF EUROS			
Opening Consolidated Net Financial Debt	**(434.0)**	**(368.2)**	**(65.8)**
Cash Flow from Operating Activities	197.7	227.5	(29.8)
(Increase)/Reduction in Working Capital	(51.1)	(46.1)	(5.0)
Net Investments	(182.7)	(162.9)	(19.8)
Other changes	1.2	8.6	(7.4)
Change in Shareholders' Equity	(65.0)	(92.9)	27.9
Total Change	***(99.9)***	***(65.8)***	***(34.1)***
Closing Consolidated Net Financial Debt	**(534.0)**	**(434.0)**	**(99.9)**

During the first half of 2024 the Piaggio Group used **financial resources** amounting to €99.9 million.
Cash flow from operating activities, defined as net profit, minus non-monetary costs and income, came to €197.7 million.
Working capital absorbed cash of approximately €51.1 million; in detail:
- the collection of trade receivables[11] used financial flows for a total of €13.2 million;
- stock management generated financial flows for a total of approximately €4.3 million;
- supplier payments used financial flows of approximately €48.0 million;
- the movement of other non-trade assets and liabilities had a positive impact on cash flows by approximately €5.6 million.

Investing activities absorbed financial resources totalling €182.7 million, of which €47.2 million in capitalised development costs and €135.5 million in property, plant and equipment and intangible assets.
Dividends paid during the year amounted to €69.1 million and included the interim dividend paid in September 2024.
Other changes mainly include other movements recorded in fixed assets and rights of use.

As a result of the above financial dynamics, which absorbed a cash flow of €99.9 million, the **consolidated net financial debt** of the Piaggio Group amounted to €534.0 million.

11 Net of customer advances.

ALTERNATIVE NON-GAAP PERFORMANCE MEASURES

To facilitate the understanding of the Group's financial position and performance, Piaggio - in accordance with Consob Communication DEM/6064293 of 28 July 2006 as amended (Consob Communication 0092543 of 3 December 2015 enacting ESMA/2015/1415 guidelines on alternative performance measures), refers to some alternative performance measures (APM) in its Report on Operations, in addition to IFRS financial measures (Non-GAAP Measures) from which the APM are derived.
These measures also facilitate directors in identifying operational trends and in taking decisions about investments, resource allocation and making other operational choices. For a correct interpretation of these APMs, the following should be noted:
- the APMs are not required by International Financial Reporting Standards (IFRS) and, although they are derived from the Group's consolidated financial statements, they are not audited;
- the APMs should not be regarded as a substitute for the measures required by relevant accounting standards (IFRS);
- for their correct interpretation, these APMs must be read in conjunction with the Group's financial information taken from the consolidated financial statements;
- the definitions of the indicators used by the Group, as they are not derived from relevant accounting standards, may not be uniform with those used by other entities; therefore, the APM values calculated by the Group and presented in this document may not be comparable with those published by other groups/companies;
- the APMs used by the Group were prepared with a continuity and uniform definition and representation for all accounting periods presented in these Financial Statements.

In particular the following alternative performance measures were used:
- **EBITDA:** defined as 'Operating income' before the amortisation/depreciation and impairment costs of intangible assets, property, plant and equipment and rights of use, as resulting from the consolidated income statement;
- **Industrial gross margin:** defined as the difference between net revenues and cost to sell;
- **Cost to sell:** this includes costs for materials (direct and consumables), accessory purchase costs (transport of incoming material, customs, warehousing), employee costs for direct and indirect manpower and related expenses, work carried out by third parties, energy costs, depreciation of property, plant, machinery and industrial equipment, maintenance and cleaning costs net of sundry cost recovery recharged to suppliers;
- **Consolidated net financial debt:** represented by the algebraic sum of financial payables, any significant financial component of trade and other non-current payables net of cash and cash equivalents and current financial receivables. Consolidated net debt does not include other financial assets and liabilities arising from the fair value measurement of financial derivatives used as hedging and otherwise, and the fair value adjustment of related hedged items and associated deferrals. The Notes to the Consolidated Financial Statements include a table indicating the statement of financial position items used to determine the measure;
- **Net Capital Employed**: determined as the algebraic sum of Net fixed assets, Net working capital and Provisions.

  In this regard, it should be noted that net fixed assets are represented by:
  - **Tangible fixed assets:** which consist of property, plant, machinery and industrial equipment, net of accumulated depreciation;
  - **Intangible assets:** which consist of capitalised development costs, costs for patents and know-how and goodwill arising from acquisition/merger operations carried out by the Group;
  - **Rights of use:** refer to the discounted value of lease payments due, as provided for by IFRS 16;
  - **Financial assets:** defined by the Directors as the sum of investments, other non-current financial assets and the fair value of financial liabilities.

- **Net working capital:** defined as the net sum of: Trade receivables, Other current and non-current receivables, Inventories, Trade payables, Other current and non-current payables, Current and non-current tax receivables, Deferred tax assets, Current and non-current tax payables and Deferred tax liabilities.

- **Provisions:** consist of retirement funds and employee benefits, other non-current provisions and the current portion of other non-current provisions.


PORTER NP6

BACKGROUND

MACROECONOMIC FRAMEWORK

During 2024, the **global economy** maintained a solid performance, with production growth estimated at 3.2% year-on-year. Lower consumer price inflation boosted household spending, partly offsetting the negative effects of restrictive financial conditions and uncertainties related to the conflict in Ukraine and evolving tensions in the Middle East. In the second quarter of 2024, the US economy accelerated, thanks to rising real wages, made possible in part by falling inflation, which supported household spending. Economic outlook surveys of businesses show a more robust activity in the services sector, in contrast to the manufacturing sector. In the latter case, the high stock-to-turnover ratios recorded in many major advanced economies might have adversely affected production in the short term. During the year, overall inflation continued to fall in most countries, partly due to a further decrease in food price inflation and a low, or negative, goods and energy price index. In 2025, global economic growth is expected to stabilise at 3.2%, maintaining the average pace recorded in the second half of the previous year. In advanced economies, the delayed impact of monetary policy tightening on economic growth is beginning to lessen. In addition, the further easing of monetary conditions, facilitated by lower inflation, will help support the most interest rate-sensitive expenditures. A further fall in inflation will boost real income growth, thus encouraging an increase in household spending in many economies.

Euro area growth stood at 0.8%, with a forecast of +1.0% at the end of 2025. After a return to growth in the first quarter of 2024, the EU economy continued to expand at a moderate but stable pace in the second and third quarters. The increase in employment and recovery of real wages had a positive impact on households' disposable income, but spending was still subdued. The still high cost of living, the uncertainty related to exposure to extreme shocks and incentives to save, fuelled by high interest rates, have driven households to allocate a higher amount of their income to 'savings'. Investments, on the other hand, fell short of expectations, showing a significant and widespread contraction in most Member States. This is partly due to considerable political uncertainty and fragile governments in countries such as Germany and France, and partly due to the persistent weakness of the manufacturing sector and increasing spare capacity among major manufacturers. On the price front, the disinflation which began at the end of 2022 continued, despite a temporary rise in inflation in October, mainly due to higher energy prices. The ECB cut the key interest rate twice (by 25 basis points in June and September), taking the deposit rate to 3.50%. However, it remains entirely dependent on data and pointed out that it 'is not committing to a specific rate path'. Differences among countries were also evident in the labour market. The euro area unemployment rate reached a new all-time low of 6.4% in July, driven mainly by Italy and Spain. Overall, there is still a relatively tight labour market in the euro area, but it seems to be starting to loosen up.

In 2024, the **US economy** recorded GDP growth of 2.8% year-on-year, exceeding expectations. This increase was mainly driven by a recovery in private investment and an increase in consumption. Inflation showed signs of slowing down, standing at 2.9%, approaching the Federal Reserve's 2% target. The presidential election had a significant impact on the economy and the markets. Political uncertainty, typical of an election year, influenced investor sentiment in the months leading up to the vote, contributing to some volatility in the financial markets. The key interest rate was cut to 4.5% in December, in response to slowing inflation and to support economic activity. As a direct consequence, the dollar strengthened significantly against many global currencies. In particular, against the euro, the dollar gained around 6.2% over the year, with the EUR/USD exchange rate hitting lows of USD 1.05 per euro. Overall, the US economy was resilient in 2024, with solid growth, falling inflation, and a stable labour market.

The **Japanese economy** has shown signs of a moderate recovery, while facing crucial structural and cyclical challenges. The country's GDP recorded an annualised growth of 1.2%, which was above initial expectations. This result was supported by an increase in investments and an improvement in exports. Consumer inflation stood at 2.5%. This increase was driven by rising energy and commodity prices; in parallel, the labour market showed positive signs, with rising wages and employment, contributing to a certain resilience of domestic demand. From a monetary policy perspective, 2024 marked a significant turning point. The Bank of Japan abandoned its negative interest rate policy and slowed down its budget expansion. The Japanese yen continued to lose value against the US dollar, reaching its lowest level in 37 years in July, at 161 yen per dollar. Although this made exports more competitive, it also increased import costs, exacerbating domestic inflationary pressures.

Growth of the **Chinese economy** slowed during 2024, with an increase in GDP of 5% (5.2% in 2023). The slowdown reflects a combination of structural and cyclical factors. Weakening domestic consumption, influenced by a still fragile consumer confidence, and reduced investments, particularly in real estate, contributed to this dynamic. The deflationary pressures evident throughout the year signal insufficient domestic demand to sustain vigorous growth, despite the stimulus measures taken by the government. Foreign trade, however, remained a key pillar of the economy; the strong demand from the export and manufacturing sector helped to mitigate the negative effects recorded especially in the first half of the year. In the long term, the stabilisation observed at the end of the year could be a turning point for a more sustained recovery in 2025, provided that structural reforms are strengthened to stimulate consumption and investment. During the year, the yuan depreciated by 3.10% against the US dollar. This phenomenon can be attributed to several factors, including domestic economic weakness, interest rate differentials and market sentiment.

The **Indian economy** grew by 8.2% compared to 7% in the previous year. This considerable increase in GDP was mainly driven by

the manufacturing and construction sectors, both of which expanded strongly, while the agricultural sector showed a decline. In the first few months of 2024, inflation fell below 5%, falling within the target range set by the Reserve Bank of India. The trade balance improved compared to the previous year, thanks to a decline in imports that was more pronounced than exports of goods, which fell by 3.1%. Investment in traditional sectors declined, but there was growing interest in technology sectors such as renewable energy, semiconductors and artificial intelligence. On the currency front, the Indian rupee weakened against the US dollar, coming close to a record low of 83.6 per dollar. As a result, the Reserve Bank of India reduced its interventions to support the currency, thus contributing to the rise of foreign exchange reserves to record levels.
Italian GDP increased by 0.5% compared to 2023. A new expansion in services was accompanied by persistent weakness in the manufacturing sector. Aggregate demand was mainly supported by consumption, boosted by the recovery in disposable income, while net exports made a negative contribution, reflecting the weakness of the major euro area economies. Labour market participation declined slightly during the year, contributing to a reduction in the unemployment rate, partly due to a shrinking active labour force, while recent contract renewals facilitated a gradual recovery in real wages. Inflation started to fall again, influenced by the further decline in energy prices. Core inflation also fell, although prices in services, especially those related to tourism, continue to show relatively high dynamics. In September, the government approved the medium-term budget structure plan. For the period 2025-2029, the Executive foresees an average net expenditure growth of 1.6% per year. During this period, the planned deficit would be higher than under current legislation, but would fall below 3% of GDP by 2026. However, the public debt-to-GDP ratio would continue to rise, reaching 137.8% in 2026, before falling by an average of one percentage point per year until the end of the consolidation process.

MARKET SCENARIO

Two-wheelers

Available data on the market trend for two-wheelers (scooters and motorcycles) for monitored markets are provided below.

India, recorded an increase in 2024, closing at 19.5 million vehicles sold, up 18.1% from 2023.

The People's Republic of China posted a decline (-6.9%), closing at just over 4.6 million units sold.

The Asian region, called Asean 5, showed slight growth during 2024 (+1.4% compared to 2023), closing at over 12.9 million units sold. This increase was attributable to:
- Indonesia, the largest market in this region (+1.5% compared to 2023 and sales of more than 6.3 million units);
- Thailand (-9.1% compared to 2023 and just over 1.7 million units sold);
- Malaysia (+4.7% compared to the previous year and over 567,000 units sold);
- Vietnam (+4.1% compared to 2023 and over 2.65 million units sold);
- Philippines (+7.9% compared to 2023 and just under 1.7 million units sold).

The other countries in the Asian region (Singapore, Hong Kong, South Korea, Japan, Taiwan, New Zealand and Australia) as a whole recorded a year-on-year decrease, closing at just over 1.25 million units (-13.0%). In particular, the Taiwanese market returned to a negative performance, decreasing to 670,000 units sold (-18.0% compared to 2023). Japan also showed a decrease with approximately 368,000 units sold (-9.1% compared to 2023).

The North American market recorded a decrease (-4.3%), compared to 2023 (591,646 vehicles sold in 2024).

Europe, the reference area for the Piaggio Group's operations, grew in 2024, recording an overall increase in sales of 8.2% compared to 2023 (+12.4% in the motorcycle segment and +3.3% in the scooter segment), closing at 1,694,199 units sold.

The scooter market

Europe
In Europe, the scooter market accounted for 748,897 registered vehicles in 2024, an increase in sales of 3.3% over 2023. It is worth noting the decline in the electric scooter segment, 71,465 units in 2024 (-16.7% compared to 2023), which now accounts for 9.5% of the total market.

MARKET	VEHICLE REGISTRATIONS		CHANGE	CHANGE %		
	2024	2023		OVERALL	≤ 50 CC	> 50 CC
Italy	200,532	186,868	13,664	7.3%	0.6%	7.8%
of which electric	*9,520*	*10,787*	*(1,267)*	*-11.7%*	*-13.0%*	*-11.0%*
France	104,707	110,845	(6,138)	-5.5%	-9.8%	-1.6%
Spain	129,632	125,455	4,177	3.3%	-19.4%	5.6%
Holland	33,303	36,196	(2,893)	-8.0%	-9.2%	9.1%
Germany	68,855	69,198	(343)	-0.5%	-15.2%	4.5%
Greece	64,476	56,016	8,460	15.1%	-17.2%	17.7%
United Kingdom	27,362	28,792	(1,430)	-5.0%	-9.0%	-4.3%
Europe	**748,897**	**725,031**	**23,866**	**3.3%**	**-4.6%**	**5.9%**
of which electric	***71,465***	***85,840***	***(14,375)***	***-16.7%***	***-13.6%***	***-21.7%***

North America
In 2024, the North American market showed a decrease of 21.2% and 22,574 units sold.

MARKET	VEHICLE REGISTRATIONS		CHANGE	CHANGE %		
	2024	2023		OVERALL	≤ 50 CC	> 50 CC
USA	20,066	25,350	(5,284)	-20.8%	-27.3%	-17.6%
Canada	2,508	3,303	(795)	-24.1%	-27.3%	-10.5%
North America	**22,574**	**28,653**	**(6,079)**	**-21.2%**	**-27.3%**	**-17.4%**

Asia
The main scooter market in the Asean 5 region is Indonesia, which, with around 6 million units, recorded a 1.5% increase over 2023. In 2024, the automatic scooter segment grew by 2.3% compared to 2023, coming close to 5.7 million units sold, while the gear-operated vehicle (cub) segment recorded an increase of 7.9%, closing at almost 342 thousand units.

India
The scooter market reported an increase of 19.7% in 2024, closing at 6.67 million units.

The motorcycle market

Europe

With 945,302 registered units, the motorcycle market ended 2024 up 12.4%. The 50cc segment recorded a 0.6% increase, closing with 45,155 units, while the over 50cc segment increased by 13.0% with 900,147 units sold.

MARKET	VEHICLE REGISTRATIONS		CHANGE	CHANGE %		
	2024	2023		OVERALL	≤ 50 CC	> 50 CC
France	170,226	168,110	2,116	1.3%	-18.3%	3.9%
Germany	190,728	160,623	30,105	18.7%		18.7%
Italy	173,235	150,945	22,290	14.8%	22.9%	14.5%
United Kingdom	88,610	84,334	4,276	5.1%	-5.5%	5.2%
Spain	108,433	91,446	16,987	18.6%	30.4%	18.2%
Europe	**945,302**	**841,172**	**104,130**	**12.4%**	**0.6%**	**13.0%**

North America

The motorcycle market in North America (USA and Canada) decreased by 3.5% in 2024, closing at 569,072 units compared to 589,566 units the previous year.

MARKET	VEHICLE REGISTRATIONS		CHANGE	CHANGE %		
	2024	2023		OVERALL	≤ 50 CC	> 50 CC
USA	506,244	525,989	(19,745)	-3.8%	8.4%	-4.2%
Canada	62,828	63,577	(749)	-1.2%	5.0%	-1.5%
North America	**569,072**	**589,566**	**(20,494)**	**-3.5%**	**8.0%**	**-3.9%**

Asia

The most important motorcycle market in Asia is India, which in 2024, continuing the previous year's growth, registered more than 12.4 million units, up 11.9%.

The motorcycle market in the Asean 5 region is far less important than the scooter market: in Vietnam there were no significant sales in the motorcycle segment; among other countries, the highest sales were recorded in Indonesia, which, with just under 270,000 units, posted a year-on-year decrease of 21.4%.

Commercial Vehicles

Europe

In 2024, the European light commercial vehicles market (vehicles with a maximum mass less than or equal to 3.5 tons), excluding the UK, recorded sales of approximately 1,586,000 units, an 8.3% increase over 2023.

Specifically, the chassis cab segment in which Piaggio Commercial operates recorded sales of some 200,000 units. As regards the served market, registrations in the main European reference markets (Spain, France, Italy and Germany) came to approximately 104,000 units, with a 7.1% increase over the same period of the previous year, as a result of new European regulations coming into force that have led to a high number of car registrations because of type approval deadlines.

India

The Indian three-wheeler market, where Piaggio Vehicles Private Limited, a subsidiary of Piaggio & C. S.p.A., operates, posted the following figures:

MARKET[12]	VEHICLE REGISTRATIONS		CHANGE	CHANGE %
	2024	2023		
Cargo	116,602	107,769	8,833	8.2%
Passengers	586,427	535,553	50,874	9.5%
India Three-wheeler	**703,029**	**643,322**	**59,707**	**9.3%**
Of which Electric	***137,251***	***70,817***	***66,434***	***93.8%***

In this market, growth was mainly due to the Cargo segment, which reported a strong increase (+7.7%) from 93,198 units in 2023 to 100,294 in 2024.

The Passenger segment recorded a decrease of 2.9% in 2024, from 479,367 units in 2023 to 465,484 units in 2024. The growth in the Three-wheeler Electric segment (+93.8% compared to 2023) was particularly remarkable.

12 Excludes E-rickshaws and E-carts.

REGULATORY FRAMEWORK

European Union

CO_2 emissions

Following the agreement reached on the revision of Regulation (EU) 2019/631, setting CO_2 emission performance standards for new passenger cars and for new light commercial vehicles, which will halt the production of combustion-engine vehicles after 2035, with the exception of those powered by synthetic fuels (e-fuels), i.e. produced chemically by binding hydrogen with CO_2 captured from the atmosphere, the European Commission intends postponing the discussion to 2026, the year when there should be a clause to revise the Regulation, ignoring the requests of several member states and manufacturers.
Italy, for example, has requested equal treatment for e-fuels and bio-fuels, made from plant and animal waste, and bringing forward the revision to 2025, though currently this is a minority position at EU Council level. However, after the recent European elections, some political parties, including the EPP, which at Group level in the European Parliament has more MEPs, have already declared that they want to revise the planned 2035 stop, and the EPP itself has adopted an official position in favour of technological neutrality and ad hoc measures to avoid the impact of the fines on manufacturers under the Regulation. The Commission has launched a strategic dialogue with stakeholders in the sector under the direct supervision of its President Ursula Von der Leyen, in order to explore solutions to support the sector in this critical decarbonisation phase.
The Regulation, approved in 2023, also envisages the possibility for small manufacturers of light commercial vehicles registering less than 22,000 units per year to apply, up until 2035, for an exemption.

'EURO7' Regulation

Following the agreement between the EU Council, Parliament and Commission on the type approval of motor vehicles for the new EURO7 emission limits, the Regulation was officially approved and published in the Official Journal in May 2024. The text envisages retaining the EURO6 emission limits, albeit with some new measurement criteria. In fact, EURO7 introduces the obligation to measure the emissions of microplastics from tyres and particles emitted by braking systems, as well as some new requirements regarding the durability of batteries. Therefore, electric vehicles also fall within the scope of the Regulation.
The Regulation will come into force for cars and vans in November 2026, and for buses, trucks and trailers in May 2028. For small manufacturers producing less than 22,000 units per year, including Piaggio, there is instead an exemption until 2030.

Customs duties China

The European Commission's investigation into state subsidies benefiting electric car manufacturers (BEVs) in China has reached a conclusion. The purpose was to determine whether these subsidies have caused a distortion of competition within the EU internal market.
As part of this investigation, the European Commission has established that the battery electric vehicle (BEV) value chain in China benefits from government subsidies, which is causing threat of economic injury to European BEV manufacturers. It therefore announced the level of provisional countervailing duties it intends to impose on imports of electric cars from China. The Commission imposed duties on some Chinese manufacturers ranging from 17% to 35%. Whereas, for all remaining BEV producers in China who cooperated in the investigation but were not included in the sample, a weighted average duty of 20.7% applies. The duties officially came into force on 31 October 2024.
The investigation and the resulting countervailing measures refer only to electric cars and do not, at present, concern light commercial vehicles or electric mopeds or motorcycles.

Battery regulations

Following the entry into force of the Batteries Regulation, which provides new rules for the design, manufacture and management of all types of batteries sold within the EU and their waste, the implementation phase is now underway, where the various articles of the Regulation will be applied according to different timeframes.
The Regulation classifies batteries under 25 kg used in all means of transport as 'Light Means of Transport (LMT)'. Batteries in transport vehicles above 25 kg are referred to as 'Electric vehicles batteries (EV)', while batteries that provide energy for starting, lighting and injection are considered 'Starting, Lighting and Ignition Batteries (SLI)'.
The Regulation aims to encourage the production of more sustainable batteries over their entire life cycle and envisages the obligation to use responsibly sourced materials, banning the use of hazardous substances.
The wording of the proposal also sets battery waste collection targets for producers and introduces a specific target (51% by the end of 2028 and 61% by the end of 2031) for the collection of 'LMT' battery waste. Finally, there will be labelling and consumer information requirements for EV batteries, as well as an electronic 'Battery Passport' to monitor reuse and a QR code on each battery.
The European Commission will publish Delegated Acts during 2025, in order to clarify some ongoing issues. For example, the cell replaceability in LMT vehicles, the methodology for calculating the 'carbon footprint' and the definition of a 'battery passport' are still being discussed.

Swappable Batteries Motorcycle Consortium - SBMC

Piaggio, together with Honda, Yamaha and KTM has created the Swappable Batteries Motorcycle Consortium (SBMC) with the aim of developing an international standard for exchangeable and swappable scooter and motorcycle batteries. This innovative technology aims to improve the sustainability of the battery lifecycle, reduce costs and cut recharging times, meeting key consumer needs. Around 30 companies are now members of the Consortium, which includes global players in the automotive, component and battery manufacturing sectors, ready to pool their know-how for the definition of common open standards for the benefit of the consumer. The Technical Committee of the SBMC Consortium has now defined almost all common specifications. These specifications have been tested in the laboratory through the development of the first prototypes, and tests are currently underway on the Battery Management System that will ensure complete compatibility and interoperability between different vehicles, along with connector and battery geometry. The vehicle testing phase, on the other hand, is scheduled to take place during 2025. After a dialogue with international standardisation bodies (ISO and Cen-Cenelec), a New Working Item Proposal (NWIP) was presented in the respective Technical Committees, which is the first official act towards the definition of a final standard.

Piaggio is also the coordinator of the Horizon Europe STAN4SWAP project, whose partners are European members of the SBMC Consortium together with the European standardisation body Cen-Cenelec. The ultimate goal of the European Commission-funded project is to examine the current standards and define a road map for the regulatory process that will accompany the standard.

Cybersecurity

After the entry into force of the ‘Cyber Resilience Act’ (CRA) in the second half of 2024, it was confirmed that both light commercial vehicles (N1) and passenger cars (M1) will not be covered, as they are already obliged to comply with the requirements of the two international UNECE Regulations R155 and R156 on cybersecurity, which refer to the ISO 21434 and ISO 24089 standards.

In order not to create discrepancies between motor vehicles and motorcycles, the entire L-category formally requested to be excluded from the Cyber Resilience Act, but included in UNECE Regulation R155. Therefore, manufacturers of two-wheelers will have to implement a Computer Security Management System (CSMS) that will cover all processes of the entire vehicle life cycle, from design to post-production monitoring and finally disposal.

UNR 155 for the entire L-category is planned for 2029, for vehicles already on the market, and for 2027 for newly type-approved vehicles. While UNR 156 is not envisaged, it could be included in the revision of the Type Approval Regulation (168/2013), however this Regulation would not be approved before 2028-2030, as the Commission’s Proposal is not ready yet.

Until UNR 155 is extended to include category L, the CRA will apply to category L, but only for reporting requirements.

Ecodesign

In June 2024, the ‘Ecodesign’ Regulation establishing a framework for the setting of ecodesign requirements for sustainable products was published in the EU Official Journal. The text extends the scope of the existing legislation to almost all products placed on the EU market. All type-approved motor vehicles are excluded from this Regulation, but only regarding those aspects and requirements already covered by sector legislation, e.g. the End-of-Life (ELV) Directive, the Battery Regulation, REACH. Since Category L is not yet subject to the ELV Directive, which is currently being revised, it falls under most of the requirements of the Ecodesign Regulation. However, the application dates of the Directive and Regulation (ELV and Ecodesign) may coincide (estimated to be 2028). Tyres, scooters and electric bikes also fall within the scope of the Ecodesign Regulation. All merchandising products will then be included in the scope of the Regulation. Details and parameters will be decided by the European Commission in Delegated Acts.

End-of-life vehicles - ELV

The European Commission presented a new legislative proposal in 2023 to revise existing regulations on End-of-Life Vehicles (ELV).

The entire L-Category will be covered by the scope of the regulations, as is already the case for cars and commercial vehicles, with the exception of L1 and L2 categories, which are not included in the Proposal. However, from a standpoint of regulatory consistency, the industry, led by the European Association of Motorcycle Manufacturers (ACEM), officially requested the inclusion of these categories as well.

Manufacturers will be required to meet specific targets for recyclability and material reuse, comply with vehicle design obligations to facilitate component recovery, publish a dismantling manual, and fulfil their responsibility to take back and dispose of end-of-life vehicles.

The text has not yet been discussed by the European Parliament, because of the pause in parliamentary proceedings due to the European elections, while the Council is already in the negotiation phase. A possible approval is expected during 2025. Bearing in mind, in addition to the entry into force, a certain lead-time period, actual application is expected no earlier than 2028 for compliance with the new requirements.

New EU Packaging Regulation

At the end of 2024, the European Regulation on packaging and packaging waste was adopted, which mainly impacts merchandising. The text aims to make the packaging of certain product categories fully recyclable by 2030, and provides solutions to significantly reduce packaging waste per capita per Member State through targets of 5% by 2030, 10% by 2035, and 15% by 2040, compared to 2018. The Regulation will apply 18 months after its entry into force (mid-2026).

Emission trading

The fourth phase of the quota trading system (EU-ETS) has got underway, during which emission permits will be issued free of charge, using emission factors defined at European level and specific for each industrial sector. For the Pontedera industrial plant, the only site of the Group that falls within the scope of the ‘Emissions Trading’ Directive (Directive 2003/87/EC), a generally lower number of emission permits will be assigned compared to the emissions recorded in the reference year, and it will be necessary to purchase quotas in order to achieve compliance on the emissions market.

EU Deforestation Regulation

The EU Deforestation Regulation (EU/2023/1115), approved in June 2023, was to enter into force on 30 December 2024. However, the European institutions decided to delay the entry into force by one year, postponing it to 30 December 2025.
The Regulation will impact several products, including those derived from rubber and leather.
For Piaggio, the impact will mainly affect some spare parts (timing belts, tyres) and some accessories containing leather or rubber.
The assembled vehicle, on the other hand, is considered as a whole, and so does not come under the scope of the Regulation.
The Regulation will require operators (including subsidiaries) importing raw materials and products falling within the scope of the legislation to carry out due diligence to verify a possible risk of deforestation.
The due diligence will cover: product description, quantity, country, geolocation, risk assessment and mitigation.
The European Commission will set up a digital platform for Due Diligence and publish the list of countries at risk of deforestation.

Italy

The New Highway Code

At the end of 2024, the new Highway Code came into force. One of the main new aspects of the Code is that motorcycles of 120cc and over can now transit on motorways and main extra-urban roads (ring roads), provided they are ridden by an adult.
In addition, vulnerable road user status has been acknowledged for moped and motorcycle riders.
Several stringent measures have been introduced to increase the safety of electric scooter users. These include:

- making it compulsory to have an ‘insurance certificate’ (adhesive, plastic-coated and non-removable) and ‘insurance cover’;
- a ban on driving for minors under fourteen years of age;
- the compulsory wearing of helmets for all riders, regardless of age;
- the definition of the technical and construction characteristics of the vehicle;
- making it mandatory to have luminous devices for turning (indicators) and braking (stop light);
- a ban on transporting objects or other persons other than the rider;
- a maximum speed of: 20 km/h on cycle paths and urban areas;
- an automatic reduction to 6 km/h in pedestrian areas;
- a ban on riding on pavements or on the wrong side of the road.

Additional funding for new electric vehicle incentives - Category L

The Italian government has refinanced incentives for the purchase of Category L electric vehicles. For 2024, in addition to the 30 million euro already provided for in the Prime Minister’s Decree of 6 April 2022, the new Prime Minister’s Decree presented in February 2024 added a further 15 million euro for electric mopeds and motorcycles. In addition, a further 17 million euro from the redistribution of unused funds from previous years was earmarked for electric vehicles in Category L. For these vehicles, the subsidy, aimed at individuals who purchase a brand new electric or hybrid vehicle in categories L1e, L2e, L3e, L4e, L5e, L6e, L7e, is calculated on the percentage of the list price: 30% and up to 3,000 euro for purchases without an old vehicle being scrapped, and 40% up to 4,000 euro with an old vehicle (vehicles up to EURO3) being scrapped.
For 2025, the 30 million euro already provided for in the 2020 Budget Law, earmarked for L-category vehicles, has been confirmed, with the same procedures as above.

Light Commercial Vehicle Incentives - Category N1

The new Prime Minister's Decree on the re-modulation of incentives for the purchase of low-polluting vehicles (Ecobonus) allocated 950 million euro of funding for 2024 for the entire automotive sector. Of this amount, 53 million euro was set aside for incentives for the purchase of Light Commercial Vehicles, according to a scheme with different incentive brackets based on vehicle weight and engine type. Incentives for the purchase of alternative fuel commercial vehicles also include bi-fuel vehicles (petrol/methane and petrol/LPG). The Italian government has reduced the resources of the automotive fund, allocating 400 million euro for 2025. These funds will be used to support the production chain, with measures to support domestic industry (production incentives: tax breaks, etc.). However, the possibility of reserving a share of incentives for the purchase of Light Commercial Vehicles only is currently under discussion.

India

Onboard Diagnostic-II (OBD-II)

For all category L5N and L5M internal combustion engine vehicles, the implementation of the OBD-II Regulation for Bharat Stage VI (BS VI) vehicles is in the pipeline. As of 1 April 2023, the regulation came into force for newly type-approved vehicles and will be extended to all newly registered products in April 2025.

20% ethanol mix in petrol

As of 1 April 2023, the regulation issued by the Indian government (Ministry of Petroleum and Natural Gas) came into force, which provides for an increase in the percentage of ethanol in petrol to 20 per cent for metropolitan areas and tier 1 cities. For the rest of India, the legislation will be adopted from April 2025.

'PM E-Drive' scheme - incentives

The EMPS (Electric Mobility Promotion Scheme), which came into force after Fame-II, ended on 30 September 2024.
The Indian Government's Ministry of Industry launched the PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) scheme on 29 September 2024. The scheme came into force on 1 October 2024 and will end on 31 March 2026.
The purpose is to promote the electrification of three- and four-wheelers as well as two-wheelers, with the goal of having 30% of vehicle registrations consisting of electric vehicles by 2025.
The new incentive places special emphasis on offering citizens convenient and environmentally friendly public transport. It will mainly be applicable to categories of two- and three-wheeler electric vehicles for both commercial and private use. To encourage advanced technologies, incentives will only be extended to electric vehicles equipped with advanced batteries.
The PM E-DRIVE scheme aims to accelerate the adoption of electric vehicles and establish essential charging infrastructure across the country, promoting cleaner and more sustainable transport.

Vietnam

Emissions

a. Applicable emission standards

On 15 November 2024, the Prime Minister issued Regulation 19/2024/QD-TTg for the implementation of emission standards for imported, locally manufactured or assembled motor vehicles. The Tier 4 and Tier 3 emission standards are equivalent to the EURO4 and EURO3 standard respectively, specified in EU regulations.
Under the regulation, which will enter into force on 1 January 2025:

- newly imported, manufactured and assembled two-wheeler motorcycles may continue to comply with the Tier 3 emission standard until 30 June 2026. As from 1 July 2026, newly type-approved two-wheelers will have to adopt the Tier 4 standard, and as from 1 July 2027, all new two-wheelers, including models type-approved before 1 July 2026, will have to comply with the Tier 4 emission standard;
- newly imported, manufactured and assembled two-wheeler mopeds, including those with an engine capacity of less than 50 km/h, may continue to comply with the Level 2 standard until 30 June 2027. As from 1 July 2027, newly type-approved mopeds will have to comply with the Tier 4 standard, and as from 1 July 2028 all new two-wheelers, including models type-approved before 1 July 2027, will have to comply with the Tier 4 emission standard.

Currently, the government is working on a regulation, to test the type of Level 4 emission standard ('QCVN'). This QCVN is expected to be issued in early July 2025.

b. Gas emission tests applicable to motorcycles/units in operation

In an attempt to reduce environmental pollution, the Vietnamese government is also aiming to limit gas emissions of two-wheelers. Local authorities in a number of large cities have worked together with authorities and associations to define an industry standard and a procedure to be proposed to the government to effectively test and enforce gas emission limitation standards on vehicles. On 27 June 2024, the National Assembly of Vietnam passed the Road Safety Amendment, which will come into force on 1 January 2025. This amendment lays down the rules for testing the emissions of vehicles in transit. Emission tests must be conducted in accordance with environmental laws and at test centres that meet national technical standards.

c. Local government must manage gas emissions in respective management/city areas

In 2021, at the Climate Change Conference ('COP26'), the Vietnamese Prime Minister committed Vietnam to achieving zero emissions by 2050. Actions to achieve this will have to be discussed. In addition, Government Decree 48/NQ-CP of 5 April 2022 also required 5 major cities (Hanoi HCMC, Danang, Can Tho, Hai Phong) to study and devise a plan to limit the transit of 2-wheelers by 2030, consistent with the conditions of infrastructure and public transport, in order to reduce air pollution in the larger cities.

d. Emission Trading

According to Vietnam's Law on the Environment and Decree 06/2022/ND-CP on Greenhouse Gas (GHG) Emission Mitigation and Ozone Layer Protection, entities subject to the Greenhouse Gas Emission Directive, including Piaggio Vietnam, are required to monitor and reduce GHGs, receive GHG emission allowances and have the right to trade these allowances on the domestic carbon market.
Organisations and individuals not on this list are encouraged to reduce greenhouse gas emissions according to their conditions and activities.
An action plan for the establishment of a greenhouse gas emission allowance and carbon credit trading market has been prepared and started in 2023 with the reporting and accounting of operational data and greenhouse gas emissions of production facilities in the previous year. Allowance trading is scheduled to start in 2026. Organisations and individuals will participate in the carbon market on a voluntary basis. GHG emission allowances and carbon credits will be traded on the 'carbon trade exchange' and the domestic carbon market. Organisations will be able to auction, transfer, borrow, surrender greenhouse gas emission allowances, and use carbon credits to offset greenhouse gas emissions. Organisations wishing to obtain certification of traded carbon credits or greenhouse gas emission allowances will have to apply to the Ministry of Natural Resources and Environment (MONRE).

Energy label

In order to reduce environmental pollution and ensure buyers are aware and informed, the government has introduced energy labelling for motorbikes. With Circular 59/2018/TT-BGTVT, the Ministry of Transport is working to regulate the fuel consumption restriction for vehicles assembled, manufactured and imported in Vietnam. Except for exports, energy labelling must be affixed on the motorcycle by the manufacturer/importer/retailer and kept on the vehicle until delivery to the end customer. The publication of this regulation is expected by the end of 2025 and its implementation by 2026.

Recycling/End-of-Life

Under the Environmental Protection Act, manufacturers and importers must recycle discarded products according to mandatory percentages and methodologies, leaving them the choice of either managing the recycling activity themselves or paying the Environment Fund to carry this activity out on their behalf.
Decree 08/2022/ND-CP pursuant to the Environment Act in force since 10 January 2022 was amended and supplemented by Decree 05/2025/ND-CP, which came into force on 6 January 2025. This amendment further clarifies and explains the scope of responsibility of manufacturers and importers, thus creating more advantages for them in their current recycling of products, such as batteries, lubricants and tyres. Furthermore, the detailed regulation on vehicle disposal is currently in a draft form and is expected to be finalised before 1 January 2026.

RESULTS BY TYPE OF PRODUCT

The Piaggio Group is comprised of and operates by geographic segments (EMEA and Americas, India and Asia Pacific) – to develop, manufacture and distribute two-wheeler and commercial vehicles.
Each Geographic Segment has production sites and a sales network dedicated to customers in that geographic segment. In particular:

- EMEA and Americas have production sites and deal with the distribution and sale of two-wheeler and commercial vehicles;
- India has production sites and deals with the distribution and sale of two-wheeler and commercial vehicles;
- Asia Pacific 2W has production sites and deals with the distribution and sale of two-wheeler vehicles.

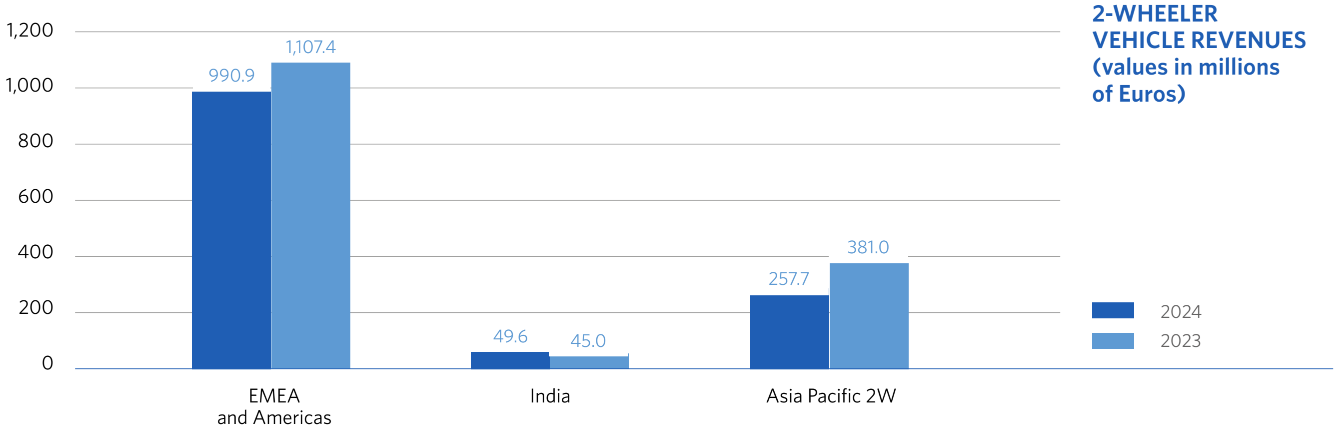
For details of results and capital employed by each operating segment, please refer to the Notes to the Consolidated Financial Statements.
The volumes and net revenues in the three geographic segments, also by product type, are analysed below.

TWO-WHEELERS

	2024		2023		CHANGE %		CHANGE	
	VOLUMES SELL-IN (UNITS/000)	NET REVENUES (MILLIONS OF EUROS)	VOLUMES SELL-IN (UNITS/000)	NET REVENUES [13] (MILLIONS OF EUROS)	VOLUMES	NET REVENUES	VOLUMES	NET REVENUES
EMEA and Americas	221.0	990.9	249.5	1,107.4	-11.4%	-10.5%	(28.5)	(116.5)
of which EMEA	202.9	890.0	226.9	978.7	-10.6%	-9.1%	(24.0)	(88.8)
(of which Italy)	*55.9*	*240.3*	*59.1*	*246.1*	*-5.4%*	*-2.4%*	*(3.2)*	*(5.8)*
of which America	18.1	101.0	22.6	128.7	-19.9%	21.5%	(4.5)	(27.7)
India	38.1	49.6	41.0	45.0	-7.2%	10.3%	(3.0)	4.6
Asia Pacific 2W	100.9	257.7	145.8	381.0	-30.8%	-32.4%	(44.9)	(123.3)
Total	**359.9**	**1,298.3**	**436.3**	**1,533.4**	**-17.5%**	**-15.3%**	**(76.4)**	**(235.1)**
Scooters	314.2	815.7	393.0	1,030.0	-20.1%	-20.8%	(78.8)	(214.3)
Combustion engine	*311.6*	*807.0*	*387.9*	*1,012.0*	*-19.7%*	*-20.3%*	*(76.3)*	*(205.0)*
Electric engine	*2.6*	*8.7*	*5.2*	*18.0*	*-49.9%*	*-51.9%*	*(2.6)*	*(9.3)*
Motorcycles	45.7	326.1	43.2	341.1	5.7%	-4.4%	2.5	(15.0)
Other vehicles	0.1	0.1	0.1	0.0	25.0%	173.9%	0.0	0.0
Spare Parts and Accessories		153.3		156.9		-2.3%		(3.6)
Other		3.2		5.4		-40.7%		(2.2)
Gita		*0.1*		*0.2*		*-62.6%*		*(0.1)*
Other		*3.1*		*5.2*		*-39.9%*		*(2.1)*
Total	**359.9**	**1,298.3**	**436.3**	**1,533.4**	**-17.5%**	**-15.3%**	**(76.4)**	**(235.1)**

13 As a result of the contractual changes made from 2024 onwards to sell-out promotions for the Indian market, the costs of these promotions, which were previously allocated to services, are now recognised as a deduction of revenues. Although the value is to be considered negligible, €9.5 mln was reclassified from the cost of services to lower revenue in 2023 (of which €2.5 mln relative to the Two-wheeler segment), in order to allow for a better comparability with 2024 figures.

2-WHEELER VEHICLE REVENUES (values in millions of Euros)



Two-wheelers can be grouped mainly into two product segments: scooters and motorcycles. Alongside these is the related spare parts and accessories business, the sale of engines to third parties, participation in major two-wheeler sports competitions, and after-sales services.

In the global two-wheeler market, two macro-areas can be identified, distinctly different in terms of characteristics and scale of demand: the area of economically advanced countries (Europe, United States, Japan) and of developing countries (Asia Pacific, China, India, Latin America).
In the first macro area, which is a minority segment in terms of volumes, the Piaggio Group has a historical presence, with scooters meeting the need for mobility in urban areas and motorcycles for recreational purposes.
In the second macro area, which in terms of sales, accounts for most of the world market and is the Group's target for expanding operations, two-wheeler vehicles are the primary mode of transport.

Main results

During 2024, the Piaggio Group sold a total of 359,900 two-wheeler vehicles worldwide, accounting for net revenues equal to approximately €1,298.3 million, including spare parts and accessories (€153.3 million, -2.3% compared to 2023).
Overall, volumes decreased by 17.5% while net revenues fell by 15.3%.
The biggest decline was recorded in the Asia Pacific region influenced by a drop in demand for the premium segment in China and Thailand (-30.8% volumes; -32.4% net revenues; -30.4% at constant exchange rates).
Only India showed an increase in turnover (+10.3% turnover; +11.8% at constant exchange rates; -7.2% volumes).

Market positioning[14]

In the European market[15] the Piaggio Group achieved an overall market share of 11.6% in 2024, compared to 12.3% in 2023, ranking first in the scooter segment (21.4% compared to 22.4% in 2023) and thus regainingits leadership position lost in 2023.
In Italy, the Piaggio Group achieved a 15.4% share (16.5% share in 2023). The share of the scooter segment also decreased to 24.4% (25.7% in 2023).
The Group is also present in the premium segment of the Indian and Asia Pacific markets thanks to the production of its plants in India and Vietnam. In particular, in Vietnam, the Group's main market in Asia, Piaggio is one of the most important players in the segment.
On the North American scooter market, Piaggio's position weakened from a 29.7% share in 2023 to 28.1% in 2024. Sell-out sales in the motorcycle segment remained largely unchanged (from 0.9% in 2023 to 1.0% in 2024).

14 Market share values are calculated on the basis of 'sell out' volumes, i.e. sales made by the distribution network to the end buyer. Market shares for 2023 might differ from figures published the previous year, due to final vehicle registration data, which some countries publish with a few months' delay, being updated.
15 Italy, France, Spain, Germany, United Kingdom, Belgium, Holland, Greece, Croatia, Portugal, Switzerland, Austria, Finland, Sweden, Norway, Denmark, Czech Republic, Hungary and Slovenia.

The distribution network

EMEA

In the EMEA area, the Piaggio Group has a direct sales presence in the main European countries. In other European markets and in the Middle East and Africa, it operates through distributors.
As of December 2024, the Group's sales network consisted of 722 partners managing more than 3,500 sales mandates for the various proprietary brands.
To date, the Piaggio Group is present in 68 countries in the region, and in 2024 it further optimised its commercial presence.
Actions concerning the distribution set-up followed market trends in the area and were geared towards a better qualitative-quantitative balance of the sales network.
In addition, higher sales and after-sales quality standards were introduced, dedicating more space to product displays, enriching the assortment of vehicles and accessories, and thus aiming to further improve the experience offered to the end customer at all stages of the customer journey.
The guidelines for the distribution network can be broken down into the following points:

1. improving customer experience at the point of sale by continuing and strengthening the project to implement the new retail format consistent with the premium positioning of Piaggio Group products;
2. consolidating local coverage through qualitative network selection;
3. strengthening the 'retail' channel by progressively increasing the weight of the primary network;
4. improving the economic and financial performance of dealers by expanding their areas of competence and offering them the possibility of selling products and services related to the Piaggio Group;
5. raising the level of service to dealers through appropriate supporting tools.

Americas

On the American continent, the Piaggio Group operates with a direct sales presence in the USA and Canada, while it relies on a network of importers in Latin America. At the end of 2024, the Group had 236 partners, of which 169 in the USA, 44 in Canada and a network of 23 importers in Central and South America.
In 2024, the process of streamlining and strengthening the distribution network continued, replacing and appointing new partners capable of supporting the growth of our brands with a particular focus on the motorcycle segment and increasing market share.

Asia Pacific

In Asia Pacific, the Piaggio Group has a direct sales presence in Vietnam, Indonesia, China and Japan, while in all other markets it operates with importers.
The distribution network is being continuously, consistent with the Group's strategic goals of expanding operations in the region.
Past and future actions in the Asia Pacific region include:

- local consolidation thanks to an increasingly accurate and detailed geo-marketing study;
- a deeper and more accurate analysis of the network, aimed at increasing dealer effectiveness. This strategy also includes reducing the total number of stores, while focusing on expanding the size of showrooms, particularly in sales and after-sales. Indonesia, however, saw a slight increase in both the number of stores and their size;
- the gradual implementation of the Corporate Identity towards the Motoplex concept, which is increasingly widespread and uniform in all countries.

In Vietnam, the headquarters of the entire Asia Pacific region, the Group closed 2024 with 83 sales outlets throughout the country. In Indonesia, Japan and China, Piaggio is present with a network of 61, 52 and 67 sales outlets respectively.
Finally, in the other 11 Asia Pacific countries managed by distributors - i.e. Thailand, Singapore, Taiwan, Australia, Malaysia, South Korea, New Zealand, Cambodia, Hong Kong, the Philippines and Macau - the total number of sales outlets reached 307 at the end of the year.

India

In India, Piaggio Vehicles Private Limited had 171 dealers as of 31 December 2024. The network covers the main areas of the entire country.

Investments

Investments mainly targeted:
- the development of new products including sustainable mobility and the face-lifting of existing products;
- the improvement and modernisation of existing production capacity.

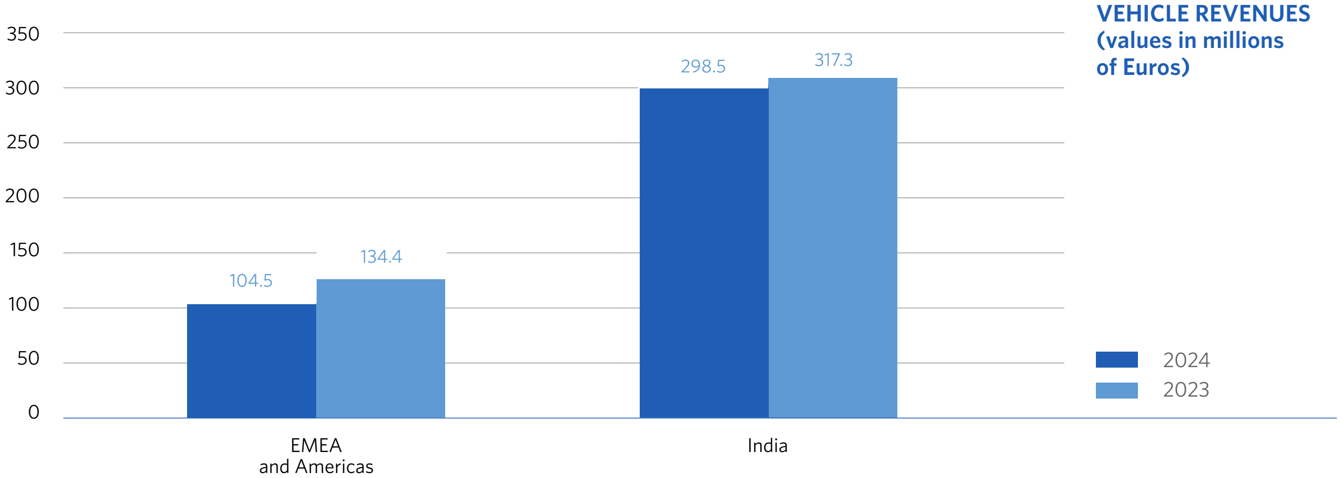
With specific regard to product investments, significant resources were dedicated to the development of new products to be marketed in both European and Asian markets (Vietnam and India).

At the same time, industrial investments continued, aimed at the safety, quality and efficiency of production processes.

COMMERCIAL VEHICLES

	2024		2023		CHANGE %		CHANGE	
	VOLUMES SELL-IN (UNITS/ 000)	NET REVENUES (MILLIONS OF EUROS)	VOLUMES SELL-IN (UNITS/ 000)	NET REVENUES (MILLIONS OF EUROS)	VOLUMES	NET REVENUES	VOLUMES	NET REVENUES
EMEA and Americas	13.5	104.5	12.6	134.4	6.9%	-22.2%	0.9	(29.9)
of which EMEA	6.3	91.4	7.7	124.5	-17.7%	-26.6%	(1.4)	(33.1)
(of which Italy)	*3.6*	*61.9*	*4.4*	*81.0*	*-17.1%*	*-23.7%*	*(0.7)*	*(19.2)*
of which America	7.2	13.1	4.9	9.9	45.0%	32.4%	2.2	3.2
India	108.2	298.5	110.6	317.3	-2.2%	-5.9%	(2.4)	(18.8)
Total	**121.7**	**403.0**	**123.3**	**451.7**	**-1.3%**	**-10.8%**	**(1.6)**	**(48.7)**
Ape	117.9	276.5	117.6	291.9	0.2%	-5.3%	0.3	(15.4)
Combustion engine	*97.0*	*198.3*	*92.5*	*190.3*	*4.9%*	*4.0%*	*4.5*	*7.6*
Electric engine	*20.9*	*78.2*	*25.1*	*101.2*	*-16.8%*	*-22.7%*	*(4.2)*	*(23.0)*
Porter	3.8	63.6	5.7	99.7	-32.8%	-36.2%	(1.9)	(36.1)
Spare Parts and Accessories		62.9		60.1		4.8%		2.9
Total	**121.7**	**403.0**	**123.3**	**451.7**	**-1.3%**	**-10.8%**	**(1.6)**	**(48.7)**

COMMERCIAL VEHICLE REVENUES (values in millions of Euros)



The Commercial Vehicles category includes three- and four-wheelers with a maximum mass below 3.5 tons (category N1 in Europe) designed for commercial and private use, and related spare parts and accessories.

Main results

The Commercial Vehicles business generated a turnover of approximately €403 million in 2024, a decrease of 10.8% compared to the previous year.
The markets in the EMEA and Americas region showed an increase in volume (+6.9%) and a decrease in turnover (-22.2%). Growth is limited to the Americas market where Ape three-wheeler is exported.
Results for the Indian area fell slightly. In fact, the Indian subsidiary Piaggio Vehicles Private Limited (PVPL) registered a decrease in both volumes (-2.2%) and turnover (-5.9%; +4.6% at constant exchange rates). This company sold 100,980 units on the Indian three-wheeler market (103,898 in 2023) and also exported 7,222 three-wheelers (6,740 in 2023).

Market positioning[16]

The Piaggio Group operates in Europe and India on the light commercial vehicles market, with products designed for short-range mobility in both urban areas (European urban centres) and suburban areas (the product range for India).

In Europe, the Group is an operator in a niche (urban) segment, thanks to its range of environmentally friendly products.

On the Indian three-wheeler market, Piaggio has a market share of 14.4% (15.6% in 2023). Analysing the market in detail, Piaggio's share in the cargo segment rose slightly to 27.8% (29.1% in 2023). In the Passenger segment, the Piaggio Group also saw a decrease to 11.7% (12.9% in 2023).
In the Three-wheeler electric segment, Piaggio's share was 15.2% (35.5% in 2023).

The distribution network

Europe and Overseas

The network management process started in 2023 focused on a thorough selection of the distribution network, which, while maintaining a certain grassroots level, reduced the number of operators, benefitting those focused on our business. This process was undoubtedly facilitated by the discontinuation of the Ape 50, leading to a sharp contraction of sales outlets that exclusively sold the three-wheeler.
Currently, Piaggio Commercial dealer network in Europe has 348 Porter NP6 sales outlets in directly served markets (Italy, France, Germany, Spain, Benelux and Greece). In the same region, there are 75 exclusive Ape sales outlets.
Finally, the authorised service network has a total of 500 service points (direct and second level).
As for the indirect market, 2024 also saw a more careful selection with 16 countries covered by a total of some 90 sales and service points. Lastly, in non-European markets, the Latin American network has 8 operators covering a total of 10 markets.

India

In India, Piaggio Vehicles Private Limited had 383 dealers as of 31 December 2024 (173 exclusive ICE products[17] , 115 exclusive EV[18] and 95 for both ICE products and EV).

16 Market share values are extracted from SIAM, based on 'sell-in' sales figures. Market shares for 2023 might differ from figures published the previous year, due to final vehicle registration data, which some countries publish with a few months' delay, being updated.
17 ICE Internal Combustion Engine.
18 EV Electric Vehicles.

Investments

Investments mainly targeted:
- the study of low-consumption and low-emission engines;
- the use of alternative fuels across the product range;
- the development of electric vehicles.

In 2024, Piaggio completed studies aimed at developing the electric version of the Porter NP6 and adapting the vehicles to the new safety regulations (ADAS[19]) and cyber security regulations that came into force in 2024.
At the same time, industrial investments continued, aimed at the safety, quality and efficiency of production processes.

19 Advanced Driver Assistance System.

RISKS AND UNCERTAINTIES

Due to the nature of its business, the Group is exposed to different types of risks. To mitigate exposure to these risks, Piaggio has adopted a structured and integrated system to identify, measure and manage company risks, in line with relevant best practices (i.e. CoSO ERM Framework). Scenarios applicable to Group operations are mapped, involving all organisational units, and are updated on an annual basis. These scenarios are grouped referring to external, strategic, financial or operational risk. Since 2024, risk mapping has been conducted with an integrated approach in relation to the Double Materiality Assessment, also considering sustainability issues and in particular 'ESG' ('Environmental, Social, Governance related') risks, i.e. which are related to environmental aspects, personnel, social matters, human rights and the fight against active and passive corruption. For details, see the Consolidated Sustainability Statement.

EXTERNAL RISKS

Risks related to the macroeconomic and geopolitical context

The Piaggio Group is exposed to risks arising from the characteristics and changing dynamics of the economic cycle and the national and international political context. To mitigate any negative effects arising from these aspects, the Group continued to pursue its strategic vision, diversifying its activities internationally, particularly in Asian markets, and consolidating the competitive positioning of its products. The trend in the automotive sector is also reflected in Piaggio's business, which recorded a drop in consolidated sales compared to the same period of 2023.
The conflict between Russia and Ukraine has had important consequences worldwide due to the economic effects on global markets, especially in terms of increased transport costs, and commodity and energy prices. The geographical diversification of the Group's sales and purchases means that it has essentially no exposure in the conflict area. The indirect impacts of the conflict mainly concerned an increase in energy costs, above all at European plants, and higher commodity costs, partially mitigated by agreements with suppliers.
The conflict in the Middle East is having an impact on trade flows, in particular, the possibility of attacks on ships transiting the Red Sea has led to a drastic reduction in traffic in the Suez Canal and a diversion of trade routes, resulting in increased costs and times associated with transporting supplies and distributing products. Direct impacts on the Group are currently limited, mitigated by the selection of local suppliers and the streamlining of systems used for the planning and logistics process.

Risks connected to consumer trends

Piaggio's success depends on its ability to manufacture products that cater for consumer's tastes and can meet their needs for mobility. Levering customer expectations and emerging needs, with reference to its product range and customer experience, is essential for the Group to maintain a competitive edge.
Through market analysis, focus groups, concept and product testing, investments in research and development and sharing a roadmap with suppliers and partners, Piaggio can seize emerging market trends to renew its own product range.
Customer feedback enables Piaggio to evaluate customer satisfaction levels and fine tune its own sales and after-sales service model.

Risks related to a high level of market competition

The Group is exposed to the actions of competitors that, through technological innovation or replacement products, could obtain products with better quality standards and streamline costs, offering products at more competitive prices.
Piaggio has tried and is trying to tackle this risk, which could have a negative impact on the Group's economic and financial situation, by offering high quality, innovative, low consumption, reliable and safe products and by strengthening the brand image and its presence in the geographic segments where it operates.

Risk relative to the regulatory and legal framework

Numerous national and international laws and regulations on safety, noise levels, consumption and the emission of pollutant gases apply to Piaggio products. Strict regulations on atmospheric emissions, waste disposal, the drainage and disposal of water and other pollutants and sustainability reporting obligations also apply to the Group's production sites.
Unfavourable changes in the regulatory and/or legal framework at a local, national and international level could mean that products can no longer be sold on the market, forcing manufacturers to invest to renew their product ranges and/or renovate/upgrade production plants.
To deal with these risks, the Group has invested in research and development into innovative products, anticipating any restrictions on current regulations. Moreover, the Group is not only a member of Confindustria, but also of important national and international associations in the automotive sector, such as ACEM (chaired by Michele Colaninno), ANFIA and ANCMA, which represent and protect the economic, technical and regulatory interests of the automotive sector in institutional and political dimensions, and with the authorities, bodies and associations responsible, at national and international level, for industrial policy and the individual and collective mobility of persons and goods.
As one of the sector's leading manufacturers, Piaggio is often requested to participate, through its representatives, in parliamentary committees appointed to discuss and formulate new laws.

Risks connected with natural events

The global outlook for the coming years highlights an increasing intensification of extreme weather phenomena and climate change risks, with the consequent need for increased attention and protection in this area.
In assessing climate change-related risks, the Piaggio Group has not currently identified as relevant risks related to the inability to achieve strategic objectives due to changes in the external context (also taking into account possible impacts on the supply chain) and to an inadequate management of atmospheric emissions.
The process of identifying these risks, as well as the assessments of their relevance and significance, took place based on the internal context and on the dynamics of the reference market, and current regulations. At a strategic level, the Group intends pursuing the integration of sustainable development principles with its vision and business model, in an increasingly precise and consistent manner. This includes the preparation of the Decarbonisation Plan, through which the Group has confirmed its existing commitment to sustainability.
The Group operates through industrial plants located in Italy, India, Vietnam and Indonesia. These sites are potentially exposed to natural events, such as earthquakes, typhoons, flooding and other catastrophes that may damage sites and also slow down/interrupt production and sales.
From this perspective, it should be noted that the Piaggio Group in 2024 carried out a climate risk analysis for the main production plants in 2024, with the support of a leading consulting firm. This analysis did not reveal any critical issues related to climatic factors. Potential impacts related to the physical risks associated with climate change are managed by the Group through the continuous renovation of facilities, as well as by taking out specific insurance coverage for the various sites, based on their relative importance.
The outcome of the above assessments on the relevance of climate change risks was also duly taken into account in the process of defining the assumptions adopted to prepare the Business Plan, as better described in the notes to the consolidated financial statements in the section on goodwill.

Risk connected with the use of new technologies

Piaggio is exposed to the risk deriving from the Group's difficulty in keeping up with technological developments, both regarding the product and processes. To deal with this risk, on the one hand, as regards products, the R&D centres in Pontedera, Noale and the PADc (Piaggio Advance Design Center) in Pasadena carry out research, development and the testing of new technological solutions, such as those dedicated to electric vehicles, assisted in some cases by strategic partnerships. Piaggio Fast Forward in Boston is also studying innovative solutions to anticipate and respond to the mobility needs of the future.
As regards the production process, Piaggio has operational areas dedicated to the study and implementation of new solutions to improve the performance of production facilities, with particular attention paid to sustainability and energy efficiency aspects.

Risks connected with the sales network

The Group's business is closely linked to the commercial network's ability to guarantee customers in its main markets high levels of sales and after-sales service quality, in order to create a long-lasting relationship of trust. Piaggio ensures these levels are maintained, by defining compliance with certain technical/professional standards in contracts, providing training for sales and customer care staff, and implementing periodic controls, reinforced by new IT systems designed to improve network monitoring activities and therefore the level of customer service. In addition, in order to ensure a widespread geographic presence through the network, a geo-marketing system is used to identify any areas not covered.

STRATEGIC RISKS

Reputational and Corporate Social Responsibility risks

Stakeholders' perception and trust in the Group, and the Group's reputation could worsen during its activities, due to the spread of harmful news about the Group or its suppliers, also regarding the sustainability practices adopted (e.g. production practices not in line with the declared commitments of the Decarbonisation Plan, the Group's lack of support for local communities, episodes of violations of human rights and fundamental labour rights, a failure to promote the values of Diversity and Inclusion in the Group). To address these risks, the Group has implemented tools to monitor brand perception and customer satisfaction.

Risks connected with the definition of strategies

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

Risks connected with the adoption of strategies

In carrying out its operations, the Group could be exposed to risks from the wrong or incomplete adoption of strategies, with a consequent negative impact on achieving the Group's strategic objectives. Periodic monitoring to check any deviations from previously set targets makes it possible to reduce the impact of such risks.

FINANCIAL RISKS

Risks connected with exchange rate trends

The Piaggio Group undertakes operations in currencies other than the euro and this exposes it to the risk of fluctuating exchange rates of different currencies.
Exposure to business risk consists of envisaged payables and receivables in foreign currency, taken from the budget for sales and purchases reclassified by currency and accrued on a monthly basis.
The Group's policy is to hedge at least 66% of the exposure of each reference month.
Exposure to the settlement risk consists of receivables and payables in foreign currency acquired in the accounting system at any moment. The hedge must at all times be equal to 100% of the import, export or net settlement exposure for each currency.
During the year, currency exposure was managed based on a policy that aims to neutralise the possible negative effects of exchange rate variations on company cash flow. This was achieved by hedging economic risk, which refers to changes in company profitability compared to the planned annual economic budget, based on a reference change (the "budget change"), and transaction risk, which refers to differences between the exchange rate at which receivables and payables are recognised in currency in the financial statements and the exchange rate at which the relative amount received or paid is recognised.

The Group has assets and liabilities which are sensitive to changes in interest rates and are necessary to manage liquidity and financial requirements. These assets and liabilities are subject to an interest rate risk and are hedged by derivatives or by specific fixed-rate loan agreements.
For a more detailed description, please refer to section 41 of the Notes to the Consolidated Financial Statements.

Risks connected with insufficient cash flows and access to the credit market

The Group is exposed to the risk arising from the production of cash flows that are not sufficient to guarantee Group payments due, or adequate profitability and growth to achieve its strategic objectives. Moreover, this risk is connected with the difficulty the Group may have in obtaining loans or a worsening in conditions of loans necessary to support Group operations in appropriate time frames.
To deal with these risks, cash flows and the Group's credit line needs are monitored or managed centrally under the control of the Group's Treasury in order to guarantee an effective and efficient management of financial resources as well as optimise the debt maturity standpoint.
The Group has undrawn credit lines sufficient to enable it to manage any unforeseen cash requirements.
In addition, the Parent Company finances the temporary cash requirements of Group companies by providing direct short-term loans regulated in market conditions or guarantees.

Risks connected with credit quality of counterparties

This risk is connected with any downgrading of the credit rating of customers and consequent possibility of late payments, or the insolvency of customers and consequent failure to receive payments.
To balance this risk, the Parent Company evaluates the financial reliability of its business partners and stipulates agreements with primary factoring companies in Italy and other countries for the sale of trade receivables without recourse.

Risks connected with deleverage

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

OPERATING RISKS

Risks relative to the product

The 'Product' category includes all risks related to a product defect due to nonconforming quality and safety levels and consequent recall campaigns, which would expose the Group to: campaign management costs, vehicle replacement costs, possible damage claims and, if not handled properly and/or if repeated over time, reputational damage. A product nonconformity may be due to potential errors and/or omissions of suppliers, or internal processes (i.e. during product development, production, quality control).
To mitigate these risks, Piaggio has established a Quality Control system, it tests products during various stages of the production process and carefully sources its suppliers based on technical/professional standards. The quality provided by the Group is also guaranteed by obtaining and maintaining global quality management system certification (ISO 9001). The Group has also defined plans to manage recall events and has taken out insurance to protect the Group against events attributable to product defects.

Risks connected with the production process/business continuity

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

Risks connected with the supply chain

In carrying out its operations, the Group sources raw materials, semi-finished products and components from a number of suppliers. Group operations are conditioned by the ability of its suppliers to guarantee the quality standards and specifications requested for products, as well as relative delivery times. To mitigate these risks, the Group qualifies and periodically evaluates its suppliers based on professional/technical/financial criteria in line with international standards. Random checks are also conducted on products from suppliers.

Risks connected with the environment and with health and safety

The Group has production sites, research and development centres and sales offices in different nations and so is exposed to the risk of not being able to guarantee a safe working environment, with the risk of causing potential harm to property, the environment or people and exposing the Group to legal sanctions, lawsuits brought by employees, costs for compensation payments and reputational harm.
To mitigate these risks, Piaggio adopts a development model that is based on environmental sustainability, in terms of safeguarding natural resources and the possibility that the ecosystem might absorb the direct and indirect impact of production activities. Specifically, Piaggio seeks to minimise the environmental impact of its industrial activities through careful definition of the technological transformation cycle and using the best technologies and most modern methods of production, in line with the commitments declared in its Decarbonisation Plan.
The risks related to accidents/injuries sustained by personnel are mitigated by using personal protective equipment, offering continual training and aligning processes, procedures and structures with applicable Occupational Safety laws, as well as best international standards.
These commitments, set out in the Code of Ethics and confirmed by top management in the Group's "environmental policy" which is the basis for environmental certification (ISO 14001) and health and safety certification (ISO 45001) already awarded and maintained at production sites, is a mandatory benchmark for all company sites.

Risks connected with processes and procedures adopted

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

Risks relative to human resources

The main risks concerning human resources management include the ability to recruit and retain expertise, professionalism and experience necessary to achieve objectives. To offset these risks, the Group has established specific policies for recruitment, career development, training, remuneration, retention and talent management, which are adopted in all countries where the Group operates according to the same principles of merit, fairness and transparency, and focusing on aspects that are relevant for the local culture.
In Europe, the Piaggio Group operates in an industrial context with a strong trade union presence, and is potentially exposed to the risk of strikes and interruptions to production activities. In the recent past there have been no significant production stoppages due to strikes. To avoid the risk of interruptions to production activities, as far as possible, the Group bases its relations with trade union organisations on dialogue.

Legal risks

The Piaggio Group legally protects its products and brands throughout the world. In some countries where the Group operates, laws do not offer certain standards of protection for intellectual property rights. This circumstance could render the measures adopted by the Group to protect itself from the unlawful use of these rights by third parties inadequate.
Within the framework of its operations, the Group is involved in legal and tax proceedings. As regards some of the proceedings, the Group could be in a position where it is not able to effectively quantify potential liabilities that could arise. A detailed analysis of the main disputes is provided in the specific paragraph in the Notes to the Consolidated Financial Statements.

Risks relative to internal offences

The Group is exposed to risks of its employees committing offences, such as fraud, active and passive corruption, acts of vandalism or damage that could have negative effects on its business results in the year, and also harm the image and integrity of the Company and its reputation. To prevent these risks, the Group has adopted an Organisational Model pursuant to Italian Legislative Decree no. 231/2001 and a Code of Ethics, which illustrates the principles and values underpinning the entire organisation, and has set up a Whistleblowing platform for reporting information on serious unlawful acts relating to breaches of the law and/or the internal control system, which have occurred or are very likely to occur within the organisation.

Risks relative to reporting

The Group is exposed to the risk of possible inadequacies in its procedures that are intended to ensure compliance with Italian and relevant foreign regulations applicable to financial disclosure, running the risk of fines and other sanctions. In particular, the Group is exposed to the risk that the financial reporting prepared for stakeholders is not accurate and reliable due to material misstatements or the omission of material facts, and that the notices and disclosure required by applicable laws ar disclosed in a manner which is inadequate, inaccurate or untimely.
To deal with these risks, the financial statements are audited by Independent Auditors. Furthermore, it should be noted that the control activity envisaged by Law 262/2005 is also extended to the most important subsidiaries, Piaggio Vehicles Pvt. Ltd, Piaggio Vietnam Co Ltd, Piaggio Group Americas Inc., Foshan Piaggio Vehicles Technologies Co Ltd, Piaggio Asia Pacific Ltd. and PT Piaggio Indonesia.

Risks related to ICT systems

With reference to this category, the main risk factors that could compromise the availability of the Group's ICT systems include cyber-attacks, which could cause the possible interruption of production and sales support activities or compromise the confidentiality, integrity and availability of personal data managed by the Group.
On a global level, cyber attacks increased, both in number and intensity, during the year, but did not cause any damage to the Group. In this framework, the centralised control system aimed at improving the Group's IT security is continually reinforced.
Since the beginning of 2024, an Integrated Vulnerability Assessment and Patch Management service has been operational, which uses specific technologies to check for potential vulnerabilities and assigns criticality values to each of them based on the vulnerability's CVSS (Common Vulnerability Scoring System).

SUBSEQUENT EVENTS

12 January 2025 - Jacopo Cerutti on an Aprilia Tuareg triumphed in the Africa Eco Race 2025 for the second year running.

24 February 2025 - The new Piaggio Liberty launched on the market, the latest version of the high-wheel bestseller, with a noticeably more modern look, refined in all areas, with engines updated to Euro 5+ standard.

28 February 2025 - Pre-booking opens for the two most anticipated new motorcycles of 2025: the Aprilia Tuono 457, a new naked bike aimed at an audience of young motorcyclists, and the Moto Guzzi V7 Sport, a more evolved and technological version of the iconic V7 range.

OPERATING OUTLOOK

Making forecasts is closely linked to the need for a geopolitical and economic stability that can have a positive impact on consumers' propensity to buy, with a reversal of the trend that could take us back to where we were up to 2023.

Safety, sustainability, connectivity and competitiveness, together with a portfolio of iconic brands, investments in our products, research, technology and production hubs - without ever neglecting the constant monitoring of margins and productivity targets in overall cost management, will continue to characterise the Group's work throughout the world.

TRANSACTIONS WITH RELATED PARTIES

Revenues, costs, payables and receivables as of 31 December 2024 involving parent, subsidiary and associate companies, refer to the sale of goods or services which are a part of normal operations of the Group.
Transactions are carried out at normal market values, depending on the characteristics of the goods and services provided.
Information on transactions with related parties, including information required by Consob in its communication of 28 July 2006 no. DEM/6064293, is reported in the notes of the separate Financial Statements of the Parent Company.
The procedure for transactions with related parties, pursuant to Article 4 of Consob Regulation no. 17221 of 12 March 2010 as amended, approved by the Board on 30 September 2010, is published on the institutional site of the Issuer www.piaggiogroup.com, under Governance.

INVESTMENTS OF MEMBERS OF THE BOARD OF DIRECTORS AND MEMBERS OF THE CONTROL COMMITTEE

At the date of this report, the Chairman and the Chief Executive Officer respectively held 125,000 shares of the Parent Company Piaggio & C. S.p.A., following the inheritance of all 250,000 shares previously held by Roberto Colaninno (former Chairman and Chief Executive Officer).

CORPORATE GOVERNANCE

PROFILE

As of the date of this Report, the Holding Piaggio & C. S.p.A. (the Company) was organised according to the one-tier administration and control model pursuant to Article 2409-sexiesdecies of the Italian Civil Code, with the Shareholders' Meeting and the Board of Directors, which incorporates a Management Control Committee set up to act as the control body.
The Company's Executive Chairman is Matteo Colaninno, as the Board of Directors, in its meeting held on 22 April 2024, confirmed his position as Chairman and powers concerning institutional relations at a national and international level, confirming the powers already granted to him at the Board of Directors' meeting held on 1 September 2023.
The Company's Chief Executive Officer, vested with all powers of ordinary and extraordinary administration, with the exception of the powers reserved by law or by provisions of the Articles of Association to the Board of Directors and certain powers that remain the exclusive responsibility of the Board of Directors, is Michele Colaninno, to whom the Board of Directors in the meeting held on 22 April 2024 also assigned the position of Chief Executive Officer in charge of establishing and maintaining the internal control and risk management system, in addition to confirming the powers to operate within the scope of the development of the Group's activities and product and marketing strategies.
Since 1 January 2021, the Company has endorsed the new edition of the Corporate Governance Code, available on the website of Borsa Italiana S.p.A. (www.borsaitaliana.it).
The Company is subject to the management and coordination of IMMSI S.p.A. pursuant to Articles 2497 and following of the Italian Civil Code.

BOARD OF DIRECTORS

The Company's Board of Directors in office at the date of this Report consisted of twelve members, appointed by the Ordinary Shareholders' Meeting held on 17 April 2024 on the basis of lists submitted by the shareholders in accordance with the law and the Articles of Association. In particular, at the date of this Report, the Company's Board of Directors was composed of (i) Matteo Colaninno, Michele Colaninno, Alessandro Lai (independent director), Graziano Gianmichele Visentin (independent director), Paola Mignani (independent director), Carlo Zanetti (non-executive director); Rita Ciccone (Independent Director), Patrizia Albano (independent Director), Micaela Vescia (independent director), Zanello Ugo Ottaviano (independent director), Andrea Formica (independent director) who were drawn from the majority list submitted by the shareholder IMMSI S.p.A.; and (ii) Raffaella Annamaria Pagani (independent director) drawn from the minority list submitted by a group of investors collectively representing 2.72319% of the share capital.
The Board of Directors will remain in office until the date of the Shareholders' Meeting convened to approve the Financial Statements for the financial year ending 31 December 2026.

The majority of the Board of Directors is made up of independent, non-executive directors who, due to their number and authority, are therefore able to significantly influence the Issuer's board decisions. The independent and non-executive Directors bring their specific expertise to board discussions, contributing to decisions in line with the company's interests.

The following board committees have been set up: the Appointment Proposal and Remuneration Committee, the Internal Control, Risk Management and Sustainability Committee and the Related Party Transactions Committee.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The internal control and risk management system requires the Board, with the support of the Audit Risk and Sustainability Committee, to be responsible for defining the guidelines of the internal control and risk management system in line with the Company's strategies, intended as a set of rules, procedures and organisational structures aimed at the effective and efficient identification, measurement, management and monitoring of main risks, in order to contribute to the sustainable success of the Company (an objective that guides the action of the Board of Directors and involves the creation of long-term value for shareholders, taking into account the interests of other stakeholders relevant to the Company).
In this context, the Board of Directors is assisted, in particular, by the Chief Executive Officer (in charge of establishing and maintaining the internal control and risk management system), as well as an Audit Risk and Sustainability Committee.
The Board of Directors, on the proposal of the Chief Executive Officer and after hearing the opinion of the Audit Risk and Sustainability Committee and the Management Control Committee, confirmed the position of the head of internal audit, who is responsible for verifying that the internal control and risk management system is operational, adequate and consistent with the guidelines defined by the Board of Directors, ensuring that it has adequate resources to carry out its tasks, including in terms of its operational structure and internal organisational procedures for access to the information necessary for its duties.

MANAGEMENT CONTROL COMMITTEE

The Management Control Committee in office at the date of this Report was appointed by the Board of Directors' meeting held on 22 April 2024, following the Company's adoption of the one-tier administration and control model by the Extraordinary Shareholders' Meeting of 17 April 2024, which amended the Issuer's Articles of Association. Under Article 25 of the Articles of Association, the body with control functions must be composed of three members appointed by the Board of Directors from its own members, in accordance with the provisions of laws in force and the Articles of Association. On 22 April 2024, the Board of Directors approved the appointment of the Director Raffaella Annamaria Pagani (taken from the minority list that obtained the highest number of votes at the Shareholders' Meeting held on 17 April 2024) as Chair, and Alessandro Lai and Paola Mignani (both independent directors meeting the requirements in Article 25 of the Articles of Association, and registered auditors) as members.

The Management Control Committee will remain in office for the entire duration of the Board of Directors' term of office and therefore until the date of the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2026.

CORPORATE GOVERNANCE REPORT

The Company prepares an annual Corporate Governance and Ownership Report that describes the corporate governance system adopted by the Issuer, as well as information on the ownership structure and the internal control and risk management system. The full version of the Report is available on the Issuer's website www.piaggiogroup.com in the Governance section.

OTHER INFORMATION

In some cases, data could be affected by rounding off defects due to the fact that figures are represented in millions of Euros; changes and percentages are calculated from figures in thousands of Euros and not from rounded off figures in millions of Euros.

PROCESSING OF PERSONAL DATA - LEGISLATIVE DECREE 196 OF 30 JUNE 2003 - REGULATION (EU) 679 OF 27 APRIL 2016 (GDPR - GENERAL DATA PROTECTION REGULATION)

Following the entry into force of Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data (GDPR), the Company has completed the process to align with regulations.
The Company is responsible by law, in its capacity as 'Data Controller', for all personal data processing activities carried out by it and, in view of this, takes appropriate security measures in relation to risks to the rights and freedoms of natural persons. To guarantee efficient operations in relation to processing activities, it has identified a person on the Board of Directors who, in the name and on behalf of the Company, independently takes decisions concerning the purposes, methods of processing personal data and the instruments used, including the adoption and monitoring of security measures and their adequacy, and who supervises all personal data processing activities carried out by the Company.
The company has also deemed it appropriate to appoint a Data Protection Officer (DPO), who, as provided for in Articles 37-39 of the GDPR, has the task of advising company functions on privacy matters and inspecting personal data management activities, acting as the point of reference within the company for everything concerning the processing of personal data and as the interface with the Data Protection Authority, as well as assisting the company in ensuring full compliance with the provisions of the legislation.

ARTICLE 36 OF THE CONSOB REGULATION ON MARKETS (ADOPTED BY CONSOB RESOLUTION NO. 16191/2007, AS AMENDED): CONDITIONS FOR THE LISTING OF PARENT COMPANIES OF COMPANIES INCORPORATED IN AND GOVERNED BY THE LAW OF NON-EU STATES

In relation to regulatory requirements concerning the conditions for listing parent companies of companies incorporated and regulated under the laws of non-EU countries and of significant relevance for the purposes of the consolidated financial statements, the following is reported:

- as of 31 December 2024, the regulatory requirements of Article 36 of the Markets Regulation apply to subsidiaries: Piaggio Vehicles Private Limited, Piaggio Vietnam Co Ltd, Piaggio Group Americas Inc, Zongshen Piaggio Foshan Motorcycle Co. Ltd, Foshan Piaggio Vehicles Technology R&D Co Ltd, Piaggio Advanced Design Center Corporation, Piaggio Fast Forward Inc., Piaggio Group Japan, PT Piaggio Indonesia, Piaggio China Co. LTD, Piaggio Asia Pacific PTE Ltd, Piaggio Limited, Piaggio Indonesia Industrial;
- adequate procedures have been adopted to ensure full compliance with the aforementioned regulation.

ARTICLE 37 OF THE CONSOB REGULATION ON MARKETS: CONDITIONS PREVENTING THE LISTING OF SHARES OF SUBSIDIARIES SUBJECT TO THE MANAGEMENT AND COORDINATION OF ANOTHER COMPANY

Pursuant to Article 2.6.2, section 13 of the Regulation of Stock Markets organised and managed by Borsa Italiana S.p.A., the conditions as of Article 37 of Consob regulation 16191/2007 exist.

ARTICLE 2428 OF THE CIVIL CODE

The information required by Article 2428, paragraphs 1, 2, 3 and 6 is provided in the Report on Operations. Information on the Group's financial instruments, objectives and policies on financial risk management is provided in Section F of the Notes to the Consolidated Financial Statements and Section E of the Parent Company's Financial Statements. Details of the Parent Company's branch offices are provided in Section A of the Parent Company's financial statements.

INTANGIBLE ASSETS

The Piaggio Group has long-established yet contemporary brands in its portfolio, that are deeply Italian but at the same time global. Proof of this is the Vespa brand , which was valued at over one billion euro (€1,079 million) at the end of 2023, an increase of 19% compared to its value at the previous valuation (€906 million in 2021).
This is the result of the study on the Vespa commissioned by the Piaggio Group to Interbrand, the global brand consultancy. The analysis also demonstrates Vespa's global presence in terms of flair, design, lifestyle and fun.
In determining the economic value of the Vespa brand, Interbrand used established proprietary valuation techniques, incorporating into the financial analysis primary data and quantitative studies resulting from global market research conducted in Vespa's 10 core markets (Italy, France, Germany, Spain, USA, Vietnam, Thailand, Indonesia, China and India). The Vespa brand confirmed its leadership in European markets and increased its relevance in the United States and Asia, showing growth especially in Indonesia, where the Piaggio Group recently inaugurated a new plant for the local market.
The study confirms that the Vespa transcends the functional boundaries of two-wheeler mobility and represents, in the eyes of consumers globally, both an opportunity to express themselves within their community and a means of leisure and fun. Finally, recent partnerships with Dior, the Disney Pixar film Luke, Justin Bieber, Lego and most recently Mickey Mouse have helped to further strengthen the brand's unique heritage. The analysis of the 10 factors that make up the brand's competitive strength included in Interbrand's study confirms that affinity and distinctiveness are strong points for the Vespa brand, demonstrating not only the deep ties between this icon and its customers, but also its ability to create an emotional connection with them through highly differentiated and innovative actions. In short, Vespa is a fashion and lifestyle brand on two wheels, projected into the future with a clear brand strategy, followed and loved by millions of enthusiasts all over the world.

RECONCILIATION OF SHAREHOLDERS' EQUITY AND PROFIT FOR THE PERIOD OF THE PARENT COMPANY AND CONSOLIDATED COMPANIES

IN THOUSANDS OF EUROS	SHAREHOLDERS' EQUITY 31/12/2023	2024 RESULT	OTHER MOVEMENTS	SHAREHOLDERS' EQUITY 31/12/2024
Piaggio & C. SpA	**344,526**	**66,839**	**(64,577)**	**346,788**
Net profit and shareholders' equity of subsidiaries	218,883	48,076	(25,625)	241,334
Elimination of the carrying amount of investments	(129,722)	(50,325)	23,777	(156,270)
Elimination of the effects of intragroup transactions	(17,716)	2,635	1,393	(13,688)
Piaggio Group	**415,971**	**67,225**	**(65,032)**	**418,164**

CONSOLIDATED SUSTAINABILITY STATEMENT

CONSOLIDATED SUSTAINABILITY STATEMENT

GENERAL INFORMATION

BASIS FOR PREPARATION

This document, the Consolidated Sustainability Statement (hereafter the "document") is published by Piaggio & C. S.p.A. (hereafter "Piaggio" or the "Group") in application of Legislative Decree 125 of 6 September 2024 (transposing the Corporate Sustainability Reporting Directive (CSRD - Directive 2022/2464/EU) of the European Parliament, amending Directive 2013/34/EU, concerning non-financial disclosure requirements for large companies).

Reporting Period

Financial year 2024 (1 January to 31 December 2024).

Reporting Scope

The scope of the information and data in the Sustainability Report comprises the Companies consolidated on a line-by-line basis in the Consolidated Financial Statements of the Piaggio Group.

This Consolidated Sustainability Statement encompasses the value chain, with respect to policies and actions concerning key impacts, risks, and opportunities, as well as figures for Scope 3 GHG[20] emissions.

The Group has not used the option to omit a specific piece of information corresponding to intellectual property know-how or the results of innovation. It has also not used the exemption from disclosure of impending developments or matters in the course of negotiation, as provided for in articles 19a (3) and 29a (3) of Directive 2013/34/EU.

Time horizons

Unless otherwise specified in the relevant section, the time horizons used in this document are in line with ESRS: i) Short-term: within 1 year; ii) Medium-term: within 5 years; iii) Long-term: over five years.

Metrics subject to a high level of uncertainty

Where metrics face significant measurement uncertainty, in the reference paragraph, we have clearly outlined the assumptions, proxies, and calculation methods in the relevant section. In this regard, it should be noted in particular that the Scope 3 GHG emissions indicator falls into this case.
The Group is assessing whether and how it is possible to retrieve and systematise the data currently being estimated.

20 GHG: Greenhouse gases.

Changes in reporting and presentation of information and reporting errors in previous periods

As stated, this document has been prepared for the first time in accordance with the European Sustainability Reporting Standard (ESRS). Figures for the year 2023, where available, are given for comparative purposes only. Any restatements of data from previous years with respect to published figures, due to improvements in the collection and reporting process, are clearly indicated as such. In some cases, data could be affected by rounding off defects due to the fact that figures are represented in thousands/millions; changes and percentages are calculated based on specific data.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

This sustainability report does not include any additional information arising from applicable legislation, with the exception of the information referred to in Article 8 of Regulation (EU) 2020/852 of the European Parliament included in the section "The European Taxonomy".

Materiality threshold of monetary amounts related to the actions

In accordance with the metrics applied in the ERM analysis and the materiality threshold determined as of 31 December 2024 for transactions involving related parties, the Group has recognised that transactions surpassing €10 million are of significant financial importance.
It should be noted that the only actions that exceed this threshold are some of those described within the chapters "Climate change" and "Pollution".

Basis for preparation

List of disclosure requirements included in the Sustainability Report

DISCLOSURE REQUIREMENT		PARAGRAPH
	GENERAL DISCLOSURES	
ESRS 1 BP-1	General basis for preparation of sustainability statements	General information – Basis for preparation
ESRS 2 BP-2	Disclosures in relation to specific circumstances	General information – Basis for preparation
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	Governance - The role of the administrative, management and supervisory bodies
ESRS 2 GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Governance - The role of the administrative, management and supervisory bodies
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	Governance - Incentive Systems and Remuneration Policy for Members of the Administrative, Management and Supervisory Bodies
ESRS 2 GOV-4	Statement on due diligence	Governance - The system for responsible business management
ESRS 2 GOV-5	Risk management and internal controls over sus-tainability reporting	Governance - Risks and internal controls on sustainability reporting
ESRS 2 SBM-1	Strategy, business model and value chain	Strategy - The Business Model
ESRS 2 SBM-2	Interests and views of stakeholders	Strategy - Expectations and ways of involving stakeholders
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Strategy - Materiality Analysis
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Strategy - Materiality Analysis
ESRS 2 IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Strategy - Materiality Analysis
ESRS 2 MDR-P	Policies adopted to manage material sustainability matters	Please refer to the Topical Standard pages
ESRS 2 MDR-A	Actions and resources in relation to material sustainability matters	Please refer to the Topical Standard pages
ESRS 2 MDR-M	Metrics in relation to material sustainability matters	Please refer to the Topical Standard pages
ESRS 2 MDR-T	Tracking effectiveness of policies and actions through targets	Please refer to the Topical Standard pages
	E1 CLIMATE CHANGE	
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	Governance - Incentive Systems and Remuneration Policy for Members of the Administrative, Management and Control Bodies
E1-1	Transition plan for climate change mitigation	Climate Change - Decarbonisation Plan
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Climate Change - Environmental management systems
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Climate Change - Environmental management systems
E1-2 - MDR-P	Policies related to climate change mitigation and adaptation	Climate Change - Environmental management systems
E1-3 - MDR-A	Actions and resources in relation to climate change policies	Climate Change - Decarbonisation Plan
E1-4 - MDR-T	Targets related to climate change mitigation and adaptation	Climate Change - Decarbonisation Plan
E1-5	Energy consumption and mix	Climate Change - Energy consumption
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Climate Change - GHG emissions
E1-7	GHG removals and GHG remediation projects financed through carbon credits	Climate Change - GHG removals and GHG mitigation projects
E1-8	Internal carbon pricing	Climate Change - Internal carbon pricing
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase In

Basis for preparation

DISCLOSURE REQUIREMENT		PARAGRAPH
	E2 POLLUTION	
ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Strategy - Materiality Analysis
E2-1 - MDR-P	Policies related to pollution	Pollution - Existing Policies
E2-2 - MDR-A	Actions and resources related to pollution	Pollution - Actions and resources related to pollutions
E2-3 - MDR-T	Targets related to pollution	Pollution - Pollution-related targets
E2-4	Pollution of air, water and soil	Pollution - Significant emissions
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	Phase In
	E3 WATER AND MARINE RESOURCES	
ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	Strategy - Materiality Analysis
E3-1 - MDR-P	Policies related to water and marine resources	Water and marine resources - Existing policies
E3-2 - MDR-A	Actions and resources related to water and marine resources	Water and marine resources - Actions related to efficient water use
E3-3 - MDR-T	Targets related to water and marine resources	Water and Marine Resources - Objectives related to water use
E3-4	Water consumption	Water and marine resources - Withdrawals, discharges and consumption
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Phase In
	E4 BIODIVERSITY AND ECOSYSTEMS	
ESRS 2 IRO-1	Description of the processes to identify and assess biodiversity and ecosystem related impacts, risks, dependencies and opportunities	Strategy - Materiality Analysis
	E5 RESOURCE USE AND CIRCULAR ECONOMY	
ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Strategy - Materiality Analysis
E5-1 - MDR-P	Policies related to resource use and circular economy	Circular Economy - Policies for the sustainable use of resources
E5-2 - MDR-A	Actions and resources related to resource use and circular economy	Circular economy - Actions and Targets
E5-3 - MDR-T	Targets related to resource use and circular economy	Circular economy - Actions and Targets
E5-4	Resource inflows	Circular Economy - Resource inflows
E5-5	Resource outflows	Circular Economy - Resource outflows
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Phase In

Basis for preparation

DISCLOSURE REQUIREMENT		PARAGRAPH
S1 OWN WORKFORCE		
ESRS 2 SBM-2	Interests and views of stakeholders	Strategy - Expectations and ways of involving stakeholders
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Strategy - Materiality Analysis
S1-1 - MDR-P	Policies related to own workforce	Own workforce - Personnel management policies
S1-2	Processes for engaging with own workforce and workers representatives about impacts	Own workforce - Involvement and dialogue with employees
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Own workforce - Processes to remedy negative impacts
S1-4 - MDR-A	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Own workforce - Actions
S1-5 - MDR-T	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Own workforce - Targets
S1-6	Characteristics of the Undertaking's Employees	Own workforce - Employees
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	Own workforce - Non-employees
S1-8	Collective bargaining coverage and social dialogue	Own workforce - Working conditions
S1-9	Diversity metrics	Own workforce - Diversity and equal opportunities
S1-10	Adequate wages	Own workforce - Working conditions
S1-11	Social Protection	Phase In
S1-13	Training and skills development metrics	Own workforce - Training and skills development
S1-14	Health and safety metrics	Own workforce - Occupational health and safety
S1-15	Work-life balance metrics	Phase in
S1-16	Remuneration metrics (pay gap and total remuneration)	Own workforce - Diversity and Equal opportunities
S1-17	Incidents, complaints and severe human rights impacts	Own workforce - Protecting the human rights of employees
S2 - WORKERS IN THE VALUE CHAIN		
ESRS 2 SBM-2	Interests and views of stakeholders	Strategy - Expectations and ways of involving stakeholders
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Strategy - Materiality Analysis
S2-1 - MDR-P	Policies related to workers in the value chain	Workers in the value chain - Existing policies
S2-2	Processes for engaging with value chain workers about impacts	Workers in the Value Chain - Involvement Processes
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Workers in the value chain - Processes to remedy negative impacts
S2-4 - MDR-A	Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Workers in the value chain - Actions and targets
S2-5 - MDR-T	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Workers in the value chain - Actions and targets

Basis for preparation

DISCLOSURE REQUIREMENT		PARAGRAPH
S3 - AFFECTED COMMUNITIES		
ESRS 2 SBM-2	Interests and views of stakeholders	Strategy - Expectations and ways of involving stakeholders
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Strategy - Materiality Analysis
S3-1 - MDR-P	Policies related to affected communities	Affected communities - Existing Policies
S3-2	Processes for engaging with affected communities about impacts	Affected Communities - Involvement Processes
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	Affected Communities - Processes to Remedy Negative Impacts
S3-4 - MDR-A	Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Affected Communities - Support for Local Communities
S3-5 - MDR-T	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Affected Communities - Support for Local Communities
S4 - CONSUMERS AND END-USERS		
ESRS 2 SBM-2	Interests and views of stakeholders	Strategy - Expectations and ways of involving stakeholders
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Strategy - Materiality Analysis
S4-1 - MDR-P	Policies related to consumers and end-users	Customers and end-users - Policies related to consumers and end-users
S4-2	Processes for engaging with consumers and end-users about impacts	Customers and End-Users - Involvement Processes
S4-3	Processes to remediate negative impacts and channels for consumers and end user to raise concerns	Customers and end-users - Processes to remedy negative impacts
S4-4 - MDR-A	Taking action on material impacts on consumers and end-users and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Customers and end-users - Action on major impacts
S4-5 - MDR-T	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Customers and end users - Targets
G1 - BUSINESS CONDUCT		
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	Governance - The role of the administrative, management and supervisory bodies
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Strategy - Materiality Analysis
G1-1 - MDR-P	Business conduct policies and corporate culture	Governance Information - Existing Policies
G1-2	Management of relationships with suppliers	Governance Information - Relations with Suppliers
G1-3	Prevention and detection of corruption and bribery	Governance Information - Anti-Corruption
G1-4	Incidents of corruption or bribery	Governance Information - Cases of corruption or bribery
G1-5	Political influence and lobbying activities	Governance Information - Piaggio Group Institutional Relations

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

DISCLOSURE REQUIREMENT AND RELATED DATA POINT	SFDR (1)	PILLAR 3 (2)	BENCHMARK REGULATION (3)	EU CLIMATE LAW (4)	DISCLOSURE
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816(5), Annex II		Governance - The role of the administrative, management and supervisory bodies
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Governance - The role of the administrative, management and supervisory bodies
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Governance - The system for responsible business management
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453(6)Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk 2020/1816, Annex II	Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818(7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818(7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Climate Change - Decarbonisation Plan
ESRS E1-1 Undertakings excluded from Parisaligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking bookClimate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		Climate Change - Decarbonisation Plan

Basis for preparation

DISCLOSURE REQUIREMENT AND RELATED DATA POINT	SFDR (1)	PILLAR 3 (2)	BENCHMARK REGULATION (3)	EU CLIMATE LAW (4)	DISCLOSURE
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Climate Change - Decarbonisation Plan
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Climate Change - Energy consumption
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex				Climate Change - Energy consumption
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Climate Change - Energy consumption
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Climate Change - GHG emissions
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Climate Change – GHG emissions
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Climate Change - GHG removals and GHG mitigation projects
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Piaggio has opted to utilise the phase-in option for 2024 and, as a result, will not make a disclosure

Basis for preparation

DISCLOSURE REQUIREMENT AND RELATED DATA POINT	SFDR (1)	PILLAR 3 (2)	BENCHMARK REGULATION (3)	EU CLIMATE LAW (4)	DISCLOSURE
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk			Piaggio has opted to utilise the phase-in option for 2024 and, as a result, will not make a disclosure
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Piaggio has opted to utilise the phase-in option for 2024 and, as a result, will not make a disclosure
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Piaggio has opted to utilise the phase-in option for 2024 and, as a result, will not make a disclosure
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Pollution - Significant Emissions
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Water and marine resources - Existing policies
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table #2 of Annex 1				Water and marine resources - Existing policies
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Water and marine resources - Existing policies
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Water and marine resources - With-drawals, discharges and consumption
ESRS E3-4 Total water consumption in m 3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Water and marine resources - With-drawals, discharges and consumption
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material

Basis for preparation

DISCLOSURE REQUIREMENT AND RELATED DATA POINT	SFDR (1)	PILLAR 3 (2)	BENCHMARK REGULATION (3)	EU CLIMATE LAW (4)	DISCLOSURE
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Circular Economy - Resource outflows
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Circular Economy - Resource outflows
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Strategy – Materiality Analysis
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Strategy – Materiality Analysis
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Own workforce - Personnel management policies
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Own workforce - Personnel management policies
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Own workforce - Personnel management policies
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Own workforce - Personnel management policies
ESRS S1-3 grievance/ complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Own workforce - Processes to remedy negative impacts
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Own workforce - Occupational health and safety

Basis for preparation

DISCLOSURE REQUIREMENT AND RELATED DATA POINT	SFDR (1)	PILLAR 3 (2)	BENCHMARK REGULATION (3)	EU CLIMATE LAW (4)	DISCLOSURE
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Own workforce - Occupational health and safety
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Own workforce - Diversity and Equal opportunities
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Own workforce - Diversity and Equal opportunities
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Own workforce - Protecting the human rights of employees
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Own workforce - Protecting the human rights of employees
ESRS 2- SBM3 - S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Strategy - Materiality Analysis
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Workers in the value chain - Existing policies
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Workers in the value chain - Existing policies
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Workers in the value chain - Existing policies
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Workers in the value chain - Existing policies
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Workers in the value chain - Actions and targets
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Affected communities - Existing Policies

Basis for preparation

DISCLOSURE REQUIREMENT AND RELATED DATA POINT	SFDR (1)	PILLAR 3 (2)	BENCHMARK REGULATION (3)	EU CLIMATE LAW (4)	DISCLOSURE
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Affected communities - Existing Policies
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Affected Communities - Support for Local Communities
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Customers and end-users - Policies related to consumers and end-users
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1 Delegated Regula-tion (EU) 2020/1816, Annex II		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Customers and end-users - Policies related to consumers and end-users
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Customers and end-users - Action on major impacts
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Governance information - Existing policies
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Governance information - Existing policies
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator no. 17 Table #3 of Annex 1		CDR (EU) 2020/1816, Annex II)		Governance Information - Anti-Corruption
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Governance Information - Anti-Corruption

(1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).
(2) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p. 1).
(3) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).
(4) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ("European Climate Law") (OJ L 243, 9.7.2021, p. 1).
(5) Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplements Regulation (EU) 2020 of the European Parliament and of the Council by detailing how environmental, social, and governance (ESG) factors are incorporated within each benchmark statement provided and published (Official Journal L 2016, 1011 December 2020, page 406, 3.12.2020).
(6) Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022, which amends the implementing technical standards set out in Implementing Regulation (EU) 2022 concerning the disclosure of environmental, social, and governance (ESG) risks, as published in the Official Journal (OJ) L 2021 on 637 December 2022, page 324,19.12.2022.
(7) Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020, supplementing Regulation (EU) 2020 of the European Parliament and of the Council, concerns minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (Official Journal L 2016, 1011 December 2020, page 406, 3.12.2020).

GOVERNANCE

The role of the administrative, management and supervisory bodies

The Board of Directors of Piaggio & C. S.p.A, appointed during the Shareholders' Meeting on 17 April 2024, will serve until the Shareholders' Meeting convened to ratify the financial statements for the year ending on 31 December 2026. The composition of the Board is as follows:
- Matteo Colaninno (Executive Chairman, with responsibility for institutional relations at national and international level);
- Michele Colaninno (Chief Executive Officer - CEO);
- Alessandro Lai (independent director, meeting the criteria outlined in Article 25 of the Articles of Association for serving as a member of the Management Control Committee and also registered as an Auditor);
- Graziano Gianmichele Visentin (independent director, meeting the criteria outlined in Article 25 of the Articles of Association for serving as a member of the Management Control Committee and also registered as an Auditor);
- Carlo Zanetti;
- Andrea Formica (independent director);
- Ugo Ottaviano Zanello (independent director, meeting the criteria outlined in Article 25 of the Articles of Association for serving as a member of the Management Control Committee and also registered as an Auditor);
- Micaela Vescia (independent director, meeting the criteria outlined in Article 25 of the Articles of Association for serving as a member of the Management Control Committee);
- Paola Mignani (independent director, meeting the criteria outlined in Article 25 of the Articles of Association for serving as a member of the Management Control Committee and also registered as an Auditor);
- Patrizia Albano (independent director, who meets the requirements of Article 25 of the Articles of Association for appointment as a member of Management and Control Committee);
- Rita Ciccone (independent director);
- Raffaella Annamaria Pagani (independent director, meeting the criteria outlined in Article 25 of the Articles of Association for serving as a member of the Management Control Committee and also registered as an Auditor);

The current Board of Directors consists of 12 members, 2 of whom are executive and 5 are women (42%). It is also in the majority (9 out of 12; 75%) are independent directors in line with Article 13 of the Articles of Association, Article 148(3)(b) and (c) of Legislative Decree 58/1998 (the "TUF"), Article 16 of the Market Regulations set by Consob Resolution No. 20249 of 2017, and Article 2 of the Corporate Governance Code established by the Corporate Governance Committee.
The Council does not include employee or other worker representatives among its members.
The Board of Directors also passed resolutions on corporate governance, providing:
- the appointment of the independent director Alessandro Lai as Lead Independent Director;
- the establishment of a Related Party Transactions Committee, with the tasks and functions provided for by Consob Regulation No. 17221/2010 and the "Related Party Transactions" procedure adopted by the Company, composed of the independent directors: Rita Ciccone, as Chairman, Andrea Formica and Micaela Vescia;
- the formation of a Appointment Proposal and Remuneration Committee, which will outline its roles and responsibilities regarding pay and appointments in line with the Corporate Governance Code, consisting of independent directors: Graziano Gianmichele Visentin as chairman, with Rita Ciccone and Alessandro Lai.
- the appointment of the Managing Director, Michele Colaninno, as Chief Executive Officer responsible for establishing and overseeing the internal control and risk management system. He is assigned all the relevant duties outlined in the Code, especially those mentioned in Article 6, Recommendation 34;
- the formation of a Risk and Sustainability Control Committee, outlining its duties in line with Article 6, Recommendations 32 and 35 of the Corporate Governance Code, and entrusting it with sustainability-related responsibilities. The committee consists of independent directors, with Graziano Gianmichele Visentin serving as Chair, alongside Alessandro Lai and Paola Mignani.

In accordance with Article 13.2 of the updated Articles of Association, taking up the role of Director requires meeting the criteria set by law, the Articles of Association, and any other relevant regulations. No person may be appointed to the office of Director of the Company and, if appointed, shall be disqualified from office, who has not acquired a total of at least three years' experience in the exercise of:

a. administration and control activities or management tasks in corporations with a capital of not less than €2 million; or
b. Professional activities or permanent university teaching in law, economics, finance, and technical-scientific subjects directly linked to the Company's operations; or
c. management roles in public entities or administrations active in the banking, finance, and insurance industries, or in any closely related sectors to the company's business.

The Board of Directors, following the "one-tier" system of governance and oversight the Company has adopted according to the Italian Civil Code, Articles 2409-sexiesdecies onwards, and effective from 18 April 2024, has also established a Management Control Committee. This Committee, tasked with statutory and constitutional oversight, comprises three members serving from 2024 to 2026. Raffaella Annamaria Pagani will chair the committee, with Alessandro Lai and Paola Mignani as members. All appointees fulfil the legal and constitutional criteria for their roles, as confirmed by the Board before their appointments.

All members of the Board of Directors possess professional experience in managerial or supervisory roles within complex corporate environments influenced by ESG matters pertinent to Piaggio. Their expertise ensures they have the necessary skills for the proper management of the company, encompassing governance, risk management, and ethical business practices. Some of them also acquired knowledge useful for supervising impacts, risks and opportunities in the field of sustainability.

In this regard, in relation to the roles and responsibilities of directors with regard to the above issues, the following should be noted:

The Board of Directors, as outlined in the Corporate Governance Report, advocates for the incorporation of sustainability considerations into its corporate governance framework and remuneration policies. As stated in the Board Regulations, in particular, the Board: (i) leads the Company by pursuing its sustainable success; (ii) defines the strategies of the Company and its parent group and monitors their implementation; (iii) defines the corporate governance system; (iv) promotes, in the most appropriate forms, dialogue with shareholders and other relevant stakeholders of the Company;

it also monitors, on a regular basis, the implementation of the business plan and assesses the general trend of operations, periodically comparing the results achieved with those planned; also defining the nature and level of risk compatible with the Company's strategic objectives, including in its assessments all elements that may be relevant to sustainable success. In particular, the Board of Directors, as per the Sustainability Reporting Manual, entrusts the Executive in Charge of Sustainability Reporting with the preparation of the Sustainability Report, ensuring that the Officer has adequate powers and the means to perform the tasks assigned; the Board also, examines and approves the materiality analysis previously conducted (after sharing this with the Internal Control, Risk Management and Sustainability Committee) and examines and approves the Sustainability Report, which, as an integral part of the Group's Consolidated Financial Statements, is submitted to the Shareholders' Meeting.

In 2024, the Board of Directors approved the development of a new line of electric motors dedicated to next-generation zero-emission vehicles and five industrial research and experimental development projects, aimed at the development of components and systems for electric-powered vehicles, as well as the development of solutions in the digital area, covering safety and vehicle status monitoring, advanced driver assistance systems and complete cybersecurity systems.

The Internal Control, Risk Management and Sustainability Committee, as outlined in the Corporate Governance Report, not only aids the Board of Directors in evaluating and making decisions regarding the internal control and risk management system but also performs the following roles in the realm of sustainability:

a. examines and assesses sustainability issues related to business operations and the dynamics of interaction with stakeholders;
b. examines and evaluates the sustainability plan;
c. reviews and evaluates the system for collecting and consolidating data for Sustainability Reporting;
d. examines the Sustainability Report in advance, formulating an opinion for approval by the Board of Directors;
e. monitoring the Company's positioning on sustainability issues, with particular reference to its placement in ethical sustainability indices;
f. examines and evaluates the possible impacts of ESG issues on the business in terms of risks and opportunities and the dynamics of interaction with stakeholders;
g. expressing opinions on any further sustainability issues at the request of the Board of Directors.

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Throughout the financial year, the Internal Control, Risk Management and Sustainability Committee conducted ongoing monitoring of the internal control, risk management system, and sustainability practices. In the current year, the Internal Control, Risk Management and Sustainability Committee has convened eight times up to the Report Date, with the majority of these meetings focusing, among other things, on a detailed analysis of the requirements associated with the new CSRD sustainability reporting.
Additionally, during the same time frame, the Internal Control, Risk Management and Sustainability Committee closely reviewed the internal policies formulated for the new sustainability reporting. The committee provided a positive assessment, recommending their adoption by the Board of Directors. The committee also played a key role in developing the double materiality analysis, which it subsequently validated in preparation for the forthcoming Sustainability Report.

The Executive in Charge of Sustainability Reporting prepares the Sustainability Report with the support of the CSR Manager, who first shares it with the Ethics Committee and the Audit, Risk and Sustainability Committee, before submitting it to the Board of Directors for approval. The Executive in charge of Financial Reporting personally updates the Internal Control, Risk Management and Sustainability Committee members on the outcomes and measures to be taken for sustainability matters at least biannually, during the endorsement of the materiality analysis and the Sustainability Report, and as required. The same Committee is also reported to by the HR Director on issues related to his own workforce and in particular to health and safety.

On behalf of the Executive in Charge of Financial Reporting, the CSR Manager oversees the "Consolidated Financial Statements and Sustainability" function, which involves preparing sustainability reports, coordinating the process of gathering sustainability information from subsidiaries and corporate contacts, and managing relations with international bodies on the subject. These tasks are formalised in the Sustainability Reporting Manual.

The Ethics Committee aims to develop organisational rules and conduct strategies in line with international best practices in the field of Corporate Social Responsibility and, with specific regard to sustainability governance, examines in advance the "Consolidated Sustainability Statement" referred to in Legislative Decree 125 of 6 September 2024.

All direct reports to the Chief Executive Officer are accountable for managing and overseeing the impacts, risks, and opportunities within their respective areas of responsibility, utilising suitable frameworks in place within those areas.

INDUCTION PROGRAMME

In accordance with the guidelines of the Corporate Governance Code regarding the diligent and informed execution of duties by each Director, the Chairman facilitates the training of Directors about the company's status and market conditions, as well as significant legislative and regulatory developments impacting the Issuer and its Group.
During the financial year, the matters outlined in Article 3, Recommendation 12, paragraph d) of the Corporate Governance Code were thoroughly examined. These matters include detailed analyses of the industry in which the Issuer operates, insights into company dynamics and their progression towards sustainable success, principles of proper risk management, and the relevant regulatory and self-regulatory frameworks. The Internal Control, Risk Management and Sustainability Committee regularly discussed these topics in their meetings and later presented their findings to the Board of Directors.
The Chairman and Chief Executive Officer of the Company also ensured that the Directors received comprehensive information and explanations about the activities and projects of the group led by the Issuer. This was achieved by organising dedicated meetings between the Company's senior management and the Directors, providing them with a thorough understanding of the relevant regulatory and self-regulatory frameworks.
In particular, the following induction sessions were held in 2024, which were considered particularly useful and therefore appreciated by the Board members:
- on 18 January 2024, an induction session dedicated to the topic of sustainability, titled "Sustainability and its Reporting", was conducted by Prof. Alessandro Lai. Prof. Lai is a member of the Management Control Committee and a Professor of Business Economics at the University of Verona. He also serves as the President of the O.I.B.R. (Organismo Italiano di Business Reporting) Foundation and is the Scientific

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Coordinator of the CNDCEC Observatory on Sustainability. The session was attended by members of the corporate bodies who were in office at that time from Piaggio and its parent company, Immsi S.p.A.. In the session, Prof. Lai outlined the history of sustainability reporting and various reporting frameworks, with an emphasis on the recent CSRD (Corporate Sustainability Reporting Directive) released in December 2022. The new ESRS guidelines and the concept of double materiality were clarified;

- on 29 July 2024, there will be an induction session focused on a detailed examination of the Group's target markets, featuring Dr. Mario Di Maria, Head of the Two-Wheeler Market for Italy, EMEA, and the Americas;
- on 8 November 2024, there will be an induction session focused on a detailed examination of production activities in Italy, featuring Carlo Coppola, the Head of Product Manufacturing Management.

Throughout the year, the directors had the opportunity to enhance their understanding of the automotive industry (i) by participating in board meetings. These meetings provided a platform for thorough discussions on matters pertaining to the company's operations and their progression, including sessions where investment decisions were made; as well as (ii) the relevant legal, regulatory and self-regulatory framework. The directors were thoroughly briefed on the amendments brought about by Legislative Decree no. 125/2024, which enacts the Corporate Sustainability Reporting Directive (CSRD). This included a focus on the broadened remit of sustainability reporting requirements and the new mandate, applicable from the current financial year, to compile a Sustainability Report. This report must be incorporated into the Report on Operations and be prepared in accordance with uniform standards established across the European Union. Additionally, the directors were informed of the requirement to have the Sustainability Report audited to obtain a certificate verifying its adherence to the European Sustainability Reporting Standards (ESRS).
At the meeting on 22 January 2025, the Board of Directors reviewed the recommendations for 2025 proposed by Dr. Massimo Tononi, the Chairman of the Corporate Governance Committee, which were based on the conclusions of the Annual Report 2024 regarding the implementation of the Corporate Governance Code.
The Company's management also kept in constant contact with the corporate bodies for appropriate information flows and/or updates on issues of interest.

Incentive Systems and Remuneration Policy for Members of the Administrative, Management and Supervisory Bodies

The remuneration of directors is defined in such a way as to ensure an overall remuneration structure capable of recognising the professional value of the individuals involved and to allow for an adequate balance of fixed and variable components, with the aim of creating sustainable value in the medium and long term and to ensure a direct link between remuneration and specific performance objectives.
Piaggio's Remuneration Policy was drafted in accordance with the guidelines of the Corporate Governance Code for listed companies, which the Corporate Governance Committee approved in January 2020.

Within the Board of Directors it is possible to distinguish between:

I. Non-executive directors: Directors.
II. Executive directors:
   - Executive Chairman Matteo Colaninno;
   - Chief Executive Officer Michele Colaninno;

All non-executive directors receive a set yearly fee, as determined by the Shareholders' Meeting. The directors invited to join the Internal Control, Risk Management and Sustainability Committee and the Appointment Proposal and Remuneration Committee, both of which are all independent in line with the Corporate Governance Code, receive an extra fixed fee for their increased dedication. The Board of Directors retains the right to grant extra fixed pay to members of any supplementary internal committees set up following current regulations or the Corporate Governance Code's recommendations, always considering the increased dedication needed for these roles.
Independent directors do not receive specific remuneration, except for those serving on the aforementioned committees and the Control Management Committee.
Independent directors do not receive performance-based pay and are not part of remuneration schemes tied to financial instruments.
Additionally, the Company reimburses Directors for expenses they incur while carrying out their duties.
Non-executive directors also have insurance cover for civil liability related to acts carried out in their duties, except in cases of deliberate wrongdoing or serious negligence.
The Remuneration Policy does not allow for non-cash benefits for non-executive directors.

The remuneration of executive directors consists of:

- with a fixed yearly amount, substantial enough to match the role and required dedication, and at all times adequate to compensate for performance should the variable part not be granted due to unmet objectives outlined below;
- a variable component linked to meeting goals set out in the Company's strategic plans and the annual budget, which the Company approves, aligns with the aim of generating value for shareholders over the medium to long term and adheres to sound risk management practices. The amount of the variable component, which in any case envisages a maximum limit (up to a maximum of 30% of the amount established for the fixed compensation), is determined and paid annually by the Board of Directors with reference to objectives and results at an individual and/or consolidated Group level, identified by the Board of Directors, upon the proposal of the Committee and after hearing the opinion of the Management Control Committee, in relation to the annual budget or the results of the previous year, chosen from among:
  a. EBITDA, up to 50%,
  b. net financial position, up to 40%, and
  c. sustainability targets (considering the Decarbonisation Plan) up to 10%.
     These were determined as follows for 2024:
     - Decarbonisation - installation of new photovoltaic systems for self-generation of electricity;
     - Climate change and Water - maintaining CDP 2023 ratings;
     - Climate change - presentation of the new NP6 electric.

The incentive each person receives depends on the number of targets and outcomes they actually strive for and how well they achieve them, as confirmed by the Board of Directors following consultation with the Committee; to pay the variable portion, there is indeed a minimum number of goals to surpass. Additionally, there is a calculation method that considers any shortfall from the set targets and outcomes, up to a limit of 10% of the reference parameter.
The variable component is thus paid yearly, tied to medium and long-term goals outlined in the three-year Strategic Plan and the annual budget.

Under the existing framework of delegated authority, the Executive Chairman and the Chief Executive Officer are eligible for performance-based variable pay. This is subject to the same performance criteria and proportion of variable to fixed annual salary.
Executive Directors have "Directors and Officers" liability insurance for acts carried out in their duties, except in cases of deliberate misconduct and serious negligence.
The Remuneration Policy does not allow for non-monetary benefits for executive directors. Taking into account the remuneration structure for executive directors and their responsibilities, the Company currently finds it unnecessary to implement "clawback" clauses on the variable part of their pay. This is because the Company's interests are already safeguarded by existing legal and regulatory provisions in case of any breaches.

REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BODY

When selecting the Board of Directors, the Ordinary Shareholders' Meeting sets a precise extra fee for the Management Control Committee members. This fee is a set and equal sum for each member, with an additional raise for the Chair.
Additionally, the company reimburses the Management Control Committee members for expenses they incur while carrying out their duties.
The same individuals may receive extra pay for serving on the Supervisory Board or internal committees.

Governance

The system for responsible business management

CORE ELEMENTS OF DUE DILIGENCE	DISCLOSURE RE-QUIREMENT	PARAGRAPH
Embedding due diligence in governance, strategy and business model	– ESRS 2 GOV-2: – ESRS 2 GOV-3: – ESRS 2 SBM-3:	– Governance - The role of the administrative, management and supervisory bodies – Governance - Incentive Systems and Remuneration Policy for Members of the Administrative, Management and Supervisory Bodies – Climate Change - Environmental management system
Engaging with affected stakeholders in all key steps of the due diligence	– ESRS 2 GOV-2; – ii. ESRS 2 SBM-2; – iii. ESRS 2 IRO-1; – iv. ESRS 2 DC-P; – S1-2 – S3-2 – S4-2 – G1-2	– Strategy - Expectations and ways of involving stakeholders – Strategy - Materiality analysis – Own workforce - Personnel management policies – Affected Communities - Involvement Processes – Customers and End-Users - Involvement Processes – Governance Information - Relations with Suppliers
Identifying and assessing adverse impacts	– ESRS 2 IRO-1 – ii. ESRS 2 SBM-3;	– Strategy - Materiality Analysis – Climate Change - Environmental management systems
Taking actions to address those adverse impacts	– ESRS 2 DC-A; – E1-1	– Climate Change - Decarbonisation Plan
Tracking the effectiveness of these efforts and communicating	– ESRS 2 DC-M; – ESRS 2 DC-T; – E1-4 – S1-5	– Climate Change - Decarbonisation Plan – Own workforce - Target

Due diligence is a continuous process that affects strategy, business model, and value chain. The actions outlined above mark the beginning of an ESG due diligence process that will grow in the coming years.

ESRS 2 GOV-5

Risk management and internal controls over sustainability reporting

Risks and internal controls on sustainability reporting

In February 2025, the Piaggio Group adopted a Sustainability Reporting Manual. This manual was first presented to the Risk and Sustainability Control Committee and the Management Control Committee, and was subsequently approved by the Board of Directors on 26 February 2025. It has been drafted by updating the previous DNF Reporting Manual and incorporating the regulatory changes that have taken place. This methodological tool, also available on the company intranet, was taken as a reference for drafting this sustainability report. The Manual briefly describes the roles, responsibilities and information flows related to the reporting process and regulates, inter alia:

- the responsibilities, resources and powers assigned to the Board of Directors in order to enable it to perform the functions assigned to it by law;
- the rules of conduct to be observed, as well as the roles and responsibilities attributed to the company Departments/Functions involved, in various capacities, in activities to prepare, distribute and verify market disclosure;
- the guidelines that must be applied within Group companies and the responsibilities attributed to the managers of main subsidiaries that transmit sustainability information to Piaggio, since this is a consolidated Group report;
- audit activities.

Governance

According to the above Manual, the sustainability reporting process involves various individuals, including:

- those responsible for collecting, verifying and processing the relevant KPIs, identified within the structures involved in the reporting process;
- the CSR Manager oversees the entire process of gathering and processing quantitative indicators, consolidating outcomes, and drafting the Group Sustainability Report;
- the Internal Audit Department, which has been tasked by the Executive in Charge of Sustainability Reporting with overseeing the adherence of the Sustainability Report to regulatory standards, as well as the accuracy of the quantitative indicators provided;
- the designated auditor is responsible for promptly checking that the Sustainability Report meets the relevant regulations and ESRS standards.

At present, the Group has therefore set up a control process carried out by Internal Audit that consists of:

- analysis and independent verification of compliance with the Sustainability Reporting Manual;
- verification activities, on a sample basis, on the process for drafting the Sustainability Report;
- reporting on the results of the checks carried out to the Executive in Charge of Sustainability Reporting and to the corporate control bodies, as far as they are concerned.

From 2025, the Group will gradually introduce a structured internal control system for sustainability reporting, which will include an examination of the particular risks related to this process.

STRATEGY

Expectations and ways of involving stakeholders

The Piaggio Group has always paid considerable attention to engaging with stakeholders, i.e. all entities inside and outside the organisation whose activities have an impact on company operations or are influenced by Piaggio. In fact stakeholders are defined as having an interest in or various expectations (social, economic, professional, human) of the Company.
Based on this definition, the Group has identified categories of stakeholders in relation to its operations.

PIAGGIO GROUP

Contact center
Customer satisfaction surveys
Communication channels (websites, social media)
Events (travelling tests, trade fairs)
Motoplex (new sales format)
End users

Dealer Websites
Dealer Support Services/Help desks
Customers and Dealers

Daily relationships
Supplier Portal
Suppliers

Corporate Intranet
Piaggio Net International
Webmail service
Evaluation Management System
Piaggio Group Magazine "Wide"
Trade union meetings
Human Resources

Rallies
Exhibitions and Events
Charity activities
Job offers
Local communities

Cooperation on research projects
Teaching activities/internships
Universities and Research Centres

Press releases
Events and institutional communication ini-tiatives
Product press launches
Product test rides
Websites
Piaggio Group Magazine "Wide"
Media

Conference calls/Road Shows
Piaggio Analyst and Investor Meetings
Corporate Website
Shareholders and Lenders

Continuous dialogue on regulatory devel-opments
Participation in parliamentary committees appointed to discuss and formulate new legislation
Periodic ad hoc meetings
Meetings and presentations
Institutions and the public administration

Visits to Group plants by the insurer for property risk assessment
Periodic audits by the insurer of liability risks
Insurance companies and brokers

In shaping its business model and strategy, Piaggio considers the needs and expectations of all stakeholders, especially customers, staff, business partners, local communities, and investors.

Strategy

All actions outlined below, which Piaggio undertakes in its external relations, are coordinated with the relevant departments and approved by the Chief Executive Officer, who is regularly updated on their results.
Piaggio has consistently shown interest in the community of motorbike brand enthusiasts and, to support its brands, organises rallies and events. Please refer to the section on "Supporting local communities" for further details.
Piaggio has engaged in dialogue with local bodies in the areas where it operates and has consistently supported initiatives that enhance the region and the well-being of its residents. Please refer to the section on "Supporting local communities" for further details.
We promote regular engagement with the financial community through roadshows and conference calls to discuss quarterly results.
The company's website is regularly and swiftly updated with key information about the Group and essential corporate documents, available in both Italian and English.
The Group's success relies on its employees' involvement, who are crucial in facing global challenges in a dynamic and competitive environment.
Piaggio views its suppliers as crucial for boosting competitiveness and aims to establish a stable, transparent partnership that allows for the development of their skills and expertise. For more information, please see section "Relations with Suppliers".
Additionally, Piaggio maintains active collaborations and research ties with universities and research centres, fostering constant innovation.
In 2024, Piaggio's strategy and business model remained unchanged.

Materiality analysis

Piaggio annually updates its materiality analysis to pinpoint and rank the most pressing sustainability matters for the Group and its stakeholders, focusing on economic, environmental, and social concerns, which encompass human rights respect. The topics found to be material as a result of this process are crucial for Piaggio and its operations, serving as a vital instrument in shaping corporate strategy and forging an unbreakable bond between business and sustainability goals.

Starting this year, to meet the new European Directive 2022/2464 (Corporate Sustainability Reporting Directive), Piaggio has broadened its assessments by initiating a Double Materiality analysis. This process follows the European Sustainability Reporting Standards (ESRS) issued by EFRAG, as well as the "EFRAG IG 1 Materiality Assessment Implementation Guidance". Under these methods, a sustainability issue qualifies as material if it matters in terms of impact materiality (the inside-out perspective) or financial materiality (the outside-in perspective), or both.

On the basis of the aforementioned relevant new legislation on sustainability reporting, Piaggio therefore conducted an analysis to determine impacts, risks and opportunities according to the double materiality principle that took the following perspectives into account:
- the "inside-out" perspective assesses the company's current and potential impacts on people and the environment, related to its operations and the entire value chain, both upstream and downstream;
- the financial perspective or "outside-in" logic that assesses the risks or opportunities that have a material influence, or could reasonably be expected to have a material influence, on the undertaking's development, financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium- or long-term.

Strategy

The Group's materiality analysis process was coordinated by the CSR Manager (Finance Department) with the support of the Group's Consolidated Reporting and Sustainability Function, and was divided into three main phases:

1. Understanding the Group's internal and external context ("Step A" of the Guidelines);
2. Identification of Impacts, Risks and Opportunities (IROs) related to sustainability issues ("Step B" of the Guidelines);
3. Assessment and determination of relevant IROs ("Step C" of the Guidelines).

UNDERSTANDING THE GROUP'S INTERNAL AND EXTERNAL CONTEXT

The process to identify the Group's relevant impacts, risks, and opportunities started with an analysis of the internal and external context. It considered best practices, the industry, and Piaggio's business model.
To carry out these analyses, we consulted several external sources, such as the UNEP FI Impact Mappings and Indicator Library, Standard & Poor's, The Sustainability Year Book 2024, the Sustainability Accounting Standards Board, the World Economic Forum, the OECD, and others, and a benchmark analysis was carried out against a panel of companies in the sector.
To pinpoint risks and opportunities, we analysed the pertinent and accessible Enterprise Risk Management documents. This was done to align with the methods used for identifying and evaluating company risks.
This stage also involved identifying the Group's main stakeholders and business relationships within the value chain.

IDENTIFICATION OF IROS RELATED TO SUSTAINABILITY ISSUES - IMPACT & FINANCIAL MATERIALITY

The mapping of impacts, risks, and opportunities (impact materiality) was developed following an analysis of the Group's internal and external context, considering the Topics, Sub-topics, and Sub-sub-topics outlined by the ESRS.
To identify risks and opportunities, we particularly considered their relation to the positive and negative impacts outlined in the impact materiality, as well as any dependencies.
This led to a preliminary comprehensive list, categorising impacts as either positive or negative, and actual or potential, and pinpointing their occurrence along the value chain stages (Upstream, Company, Downstream).

ASSESSMENT AND DETERMINATION OF RELEVANT IROS

After identification, top management assessed the IROs' importance through targeted interviews with 33 process owners. Additionally, a select group of external stakeholders, including suppliers, consultants, and financial counterparts, evaluated these impacts via a questionnaire. This process aimed to determine their significance and establish priorities.[21] Ultimately, the Risk and Sustainability Control Committee, serving as an advisory group on matters of Group risk management and sustainability, became involved in this process.

For each IRO, it was identified the most relevant time frame as either short-term, medium-term, or long-term, as previously defined. Moreover, it's important to note that IROs were evaluated using a "gross" approach, that is, before considering mitigation measures and safeguards.

21 Consultations with affected communities specifically addressing environmental issues (emissions, pollution, water, biodiversity, waste) were not included in this process.

Strategy

The significance of a current impact was determined on the basis of its severity, defined according to three factors:
- scale: how bad the negative impact is or how beneficial the positive impact is;
- scope: how widespread it is and can be measured in terms of impacted stakeholders;
- irremediable character: how difficult it is to remediate the damage generated by the impact, only for negative impacts.

The potential impact's significance was determined by its severity and likelihood.
Each severity assessment factor received a score between 1 and 5. The average of these scores determined the overall impact severity rating.
The metric used instead for the definition of probability is structured on a scale with five levels (rare, unlikely, possible, likely, very likely).
The final assessment of impacts was obtained by multiplying severity by probability. Impacts with potential human rights consequences were also identified as part of the assessment process; in these instances, assessing the severity of the impact took precedence over its likelihood.
The assessment of the identified risks and opportunities' importance was grounded on a combination of their likelihood and the financial outcomes. The probability metrics employed are identical to those for assessing impact materiality, while the economic-financial metrics mirror those used in ERM risk analysis. If we cannot measure a risk or opportunity's financial impact, we follow EFRAG Guidelines and use a qualitative approach to assess its effect on our reputation. This can influence our key stakeholders, such as lenders, investors, and customers, potentially affecting fund availability or capital costs, and thus having financial significance. The sustainability risk mapping and assessment was conducted seamlessly and in line with the company's overall risk assessment (ERM process). Likewise, the process of mapping and evaluating opportunities is part of the Group's Business Plan.
After evaluating, we set a materiality threshold[22] and compared the list of significant and non-significant IROs with the views of external stakeholders to ensure their priorities were considered.

Ultimately, impacts, risks, and opportunities that surpassed the materiality threshold in either the impact or financial assessments were deemed material. The material IROs identified through this analysis are as follows: 37 impacts and 25 risks and opportunities.

22 Defined as above 3 on a scale of 1 to 5.

Strategy

IMPACT MATERIALITY

MATERIAL TOPIC	TYPE OF IMPACT	IMPACT	TIME HORIZON	GROUP INVOLVEMENT	PERIMETER	IMPACT DESCRIPTION
			ENVIRONMENTAL IMPACTS			
Climate change	Actual Negative	Scope 1 green-house gas emissions (from fuels and refrigerant gases used during the production process) and Scope 2 (from energy use)	■■■	Caused by the Group	Entire Group	Key factors in the automotive industry's impact on climate change include the direct emission of greenhouse gases, primarily CO_2. In 2023, the Group released a decarbonisation strategy to progressively reshape Piaggio's business model, aiming to cut its carbon footprint (Scope 1 and 2).
		Scope 3 green-house gas emissions from upstream and downstream activities in the value chain	■■■	Related to the Group through its business relations	Upstream & Downstream	In conducting its operations, the Group depends on a global supply chain and sales network. Key factors concerning the automotive industry's impact on climate change include indirect greenhouse gas emissions, primarily CO_2, arising from the value chain both upstream and downstream.
		Scope 3 green-house gas emissions from vehicles produced	■■■	Caused by the Group and related to the Group through its business relations	Entire Group and End Customers	Key factors in the climate impact of car manufacturers include emissions from the use of their vehicles. The Group plans to expand the range of electric vehicles available on the market in order to reduce its carbon footprint (Scope 3).
Pollution	Actual Negative	Microplastic pollution linked to vehicle use (e.g. tyre wear)	■■■	Related to the Group through its business relations	End customers	Recently, the automotive sector has been facing a growing debate on the subject of microplastics. Recent studies, including those by EMPA and wst21 scientists, have revealed that tyre wear from motor vehicles is a major source of microplastics released into the environment.
	Actual Negative	Air pollution linked to the emission of pollutants in the production process (e.g. SOx (sulphur oxides) and VOCs (Volatile Organic Compounds) from industrial and painting activities)	■■□	Caused by the Group	Manufacturing companies	Based on the analysis of the activities carried out by the production sites, the most important aspects of air pollution include Volatile Organic Compounds (VOCs), released by solvents used in painting activities, and SOx. The Group regularly undertakes work on its production facilities to consistently cut emissions.
	Actual Negative	Air pollution related to the emission of pollutants by suppliers	■■□	Related to the Group through its business relations	Upstream	In carrying out its operations, the Group sources semi-finished products and components from a number of suppliers. Although a detailed analysis of the pollution caused by the Group's supply chain has not been carried out, given the type of products the Group sources, their production activities cause the emission of pollutants. To mitigate this impact, Piaggio requires compliance with local environmental legislation in force by signing the Code of Ethics.

Strategy

MATERIAL TOPIC	TYPE OF IMPACT	IMPACT	TIME HORIZON	GROUP INVOLVEMENT	PERIMETER	IMPACT DESCRIPTION
ENVIRONMENTAL IMPACTS						
Water and marine resources	Actual Negative	Water withdrawal and utilisation within the production process	■ ■ □	Caused by the Group	Manufacturing companies	Water is a natural resource essential to the Group's business operations, primarily used in the painting process. Also, the Pontedera and Baramati plants are located in areas of high-water stress.
Water and marine resources	Actual Negative	Water withdrawal and use within the supply chain	■ ■ □	Related to the Group through its business relations	Upstream	In its operations, the Group relies on various suppliers for semifinished goods and components, some of which are in areas facing water shortages. The production activities of these entities require the use of water resources, particularly for all components that arrive already painted.
Circular economy	Actual Negative	Use of resources for vehicle production (i.e. components derived from the use of non-renewable resources such as metals, oil, minerals)	■ □ □	Caused by the Group	Manufacturing companies	In its operations, the Group relies on components from non-renewable resources that currently cannot be substituted.
Circular economy	Actual Negative	Generation of hazardous and non-hazardous waste attributable to manufacturing and packaging activities	■ □ □	Caused by the Group	Manufacturing companies	The Group's manufacture and sale of vehicles inevitably generate waste during component delivery, production, and product packaging. Piaggio strictly complies with the regulations in force in the various countries in which it operates.
Circular economy	Potential negative	Negative impacts caused by inadequate waste management along the value chain, in terms of production and lack of focus on recovery and recycling operations	■ □ □	Related to the Group through its business relations	Upstream & Downstream	In carrying out its operations, the Group sources semi-finished products and components from a number of suppliers. Their production inevitably creates waste that, if not managed correctly, could harm the environment. To avoid creating problems, Piaggio insists that everyone adheres to the law by signing its Code of Ethics.
Circular economy	Potential negative	Reduced recyclability/ recoverability of end-of-life vehicles	■ ■ □	Caused by the Group	Entire Group and End Customers	Despite not being mandated by current type approval standards for 2/3-wheel vehicles, Piaggio has long been dedicated, as stated in its Code of Ethics, to reducing the environmental impact of its vehicles over their entire life cycle. Thus, from the very start of vehicle design and material selection, Piaggio considers their recyclability at the end of their lifespan. For four-wheel vehicles, the standard has set the required recyclability targets.

Strategy

MATERIAL TOPIC	TYPE OF IMPACT	IMPACT	TIME HORIZON	GROUP INVOLVEMENT	PERIMETER	IMPACT DESCRIPTION
			SOCIAL IMPACTS			
Own workforce	Potential negative	Accidents and/or occupational diseases during the course of work with regard to employees		Caused by the Group	Entire Group	The Group employs around 5700 people. Given the industrial nature of the production process, employees may be at risk of accidents or occupational diseases during their work. To reduce this risk, Piaggio has maintained an ISO 45001-certified management system at its production sites for many years. It also organises health and safety courses well in excess of the legal requirements. Lastly, it has been honoured several times with H&S awards.
	Potential negative	Injuries/accidents during the course of work with regard to testers		Caused by the Group	Entire Group	In Piaggio's operations, testers are the job group most at risk of injury. Therefore, the Group has offered a tailored set of training courses to ensure their safety.
	Positive Actual	Improving employee welfare conditions through the promotion of corporate welfare policies		Caused by the Group	Entire Group	The Group is committed to offering its employees a benefits package designed to improve their personal and family well-being, both financially and socially.
	Potential negative	Poor/lack of attention to the mental and physical well-being of Group employees (i.e. work-life balance etc.)		Caused by the Group	Entire Group	Piaggio operates globally, employing staff encompassing a broad range of ages and genders across Europe, America, India, and Asia Pacific, within diverse labour laws and cultural contexts.
	Potential negative	Unmet expectations for personal and professional development of employees		Caused by the Group	Entire Group	Technological innovations are making the business and external environment highly dynamic, influencing the skills demanded by the labour market, which evolve in response; in this situation, the Group might struggle to train its staff effectively for professional development. To lessen this effect, Piaggio has introduced a system for assessing employee performance and creates yearly training plans tailored to the outcomes of these assessments.
	Potential Negative	Neglecting to ensure equitable working conditions for employees, which encompasses the right to unionise, just compensation, safe-guarding of human rights, and adherence to national collective employment contracts.		Caused by the Group	Entire Group	Piaggio operates globally, engaging with diverse cultures and laws on workers' rights, human rights and working conditions. The Group operates fairly towards its employees in every country where it is active, honouring contracts and working conditions that comply with local laws.
	Potential negative	Incidents of violence/ harassment against workers		Caused by the Group	Entire Group	The Group operates globally, employing staff across diverse cultures and regions with varying laws on workers' rights. Despite company guidelines designed to prevent violence, harassment, and violations of workers' rights, employee misconduct can still happen, which the internal control system might fail to detect. Moreover, the car industry, given its industrial character, might face challenges related to diversity and inclusion. Considering the unique aspects of work environments in certain countries, Piaggio has established particular protections. For instance, in its Indian subsidiary, a clear policy is in place: the Policy on Prevention of Sexual Harassment of Women at Work, aimed at preventing sexual harassment incidents in the factory.
	Potential negative	Failure to respect the values of diversity and inclusion or equal opportunities		Caused by the Group	Entire Group	
	Potential negative	Compromise of confidentiality/ integrity/ availability of employees' personal data		Caused by the Group	Entire Group	The Group handles the personal data of employees, suppliers and customers. For this reason, it has taken appropriate security measures to ensure efficient operation in connection with the performance of data processing activities. The company has also seen fit to appoint a Data Protection Officer (DPO). As outlined in Articles 37-39 of the GDPR, the DPO's role is to guide the company on privacy matters and oversee the handling of personal data.

Strategy

MATERIAL TOPIC	TYPE OF IMPACT	IMPACT	TIME HORIZON	GROUP INVOLVEMENT	PERIMETER	IMPACT DESCRIPTION
				SOCIAL IMPACTS		
Workers in the value chain	Potential negative	Accidents and/or occupational diseases during work activities for workers in the supply chain	■□□	Related to the Group through its business relations	Upstream	The Group relies on various suppliers for semi-finished goods and components. These suppliers might not adhere to health and safety rules or adequately safeguard their workers' health and safety. To lessen this impact, Piaggio insists that its suppliers, by signing its Code of Ethics, adhere to all relevant regulations and its own health and safety principles.
	Potential negative	Infringements upon the rights of workers within the supply chain, including breaches of the right to freedom of association, failure to provide equitable remuneration, detriment to the psychological and physical health of employees, and lack of job security.	■□□	Related to the Group through its business relations	Upstream	Owing to its business model and global scope, the Group sources from suppliers in diverse regions with varying cultures and labour rights laws; thus, firms based there might act unjustly towards their staff, breaching human and workers' rights. To help mitigate this impact, Piaggio insists that its suppliers, by signing its Code of Ethics, adhere to all relevant regulations and its own principles in terms of the workers' rights and treatment of workers.
	Potential negative	Violations of human rights and fundamental labour rights by suppliers with particular reference to the phenomena of forced labour and child labour	■□□	Related to the Group through its business relations	Upstream	
	Potential negative	Failure to respect the principles of equal opportunities, diversity and inclusion along the supply chain	■□□	Related to the Group through its business relations	Upstream	
	Potential negative	Compromise of confidentiality/integrity/ availability of workers' personal data in the value chain	■□□	Related to the Group through its business relations	Upstream & Downstream	In carrying out its operations, the Group sources semi-finished products and components from a number of suppliers: they process the personal data of their employees, suppliers and customers. To lessen this impact, Piaggio insists that its suppliers, by signing its Code of Ethics, adhere to all relevant regulations on processing of personal data.
Affected communities	Positive Actual	Group support for local communities by fostering the growth and improvement of the local area	■■■	Consumers and end-users	Entire Group	The Group has consistently responded to the needs of the various local communities where it works. For instance, during the Covid period, it funded the creation of health centres. In Pontedera, the Museum and Foundation serve as a key hub for local cultural engagement and promotion. Charity work benefits local communities in Italy, India, and Vietnam.
	Positive Actual	Positive impact on the local communities of Pontedera in which the Foundation and the Piaggio Museum act as a hub and cultural reference point for the area	■■■	Caused by the Group	Entire Group	By establishing the Piaggio Foundation and Museum, the Group aims to foster significant connections with the local area and its cultural, artistic, scientific, technological, industrial, and tourism sectors. The two organisations have grown their activities, firmly establishing themselves as some of the most dynamic socio-cultural forces in Tuscany and across the country. For years, the Piaggio Foundation has set itself the goal of becoming an important centre of aggregation and cultural promotion, and the prestigious awards it has received testify to the validity of its activities.
	Positive Actual	Direct and indirect job generation	■■■	Caused by the Group	Entire Group	The Group operates globally with industrial hubs in four countries across multiple continents. Piaggio employs more than 5,700 individuals and is a key source of jobs in the regions where it operates.

Strategy

MATERIAL TOPIC	TYPE OF IMPACT	IMPACT	TIME HORIZON	GROUP INVOLVEMENT	PERIMETER	IMPACT DESCRIPTION
SOCIAL IMPACTS						
Consumers and end-users	Potential negative	Damage to consumers (e.g. accident, vehicle breakdown, etc.) due to the defectiveness of the product due to errors/ defects attributable to the production phase	■□□	Caused by the Group	Manufacturing companies	Considering the products the Group sells, any defects from substandard quality and safety could create the risk of accidents for customers. To avoid this adverse effect, Piaggio has introduced a Quality Control system that conducts product tests at various stages of the manufacturing process. The quality provided by the Group is also guaranteed by obtaining and maintaining global quality management system certification (ISO 9001). The Group has also defined plans to manage recall events and has taken out insurance to protect the Group against events attributable to product defects.
	Potential Negative	Sourcing of materials and products from third parties that do not meet the required quality standards with potential impact on customers due to product defects	■□□	Related to the Group through its business relations	Upstream	Any product defect due to non-compliant quality and safety levels could generate the possibility of accidents for customers. To avoid this adverse effect, Piaggio has put in place a Quality Control system and meticulously chooses its suppliers according to technical and professional criteria.
	Potential negative	Dissemination of unclear/incomplete information with regard to the sustainability characteristics of products (e.g. possible greenwashing with regard to % recycled materials, battery consumption, etc.)	■□□	Caused by the Group	Entire Group	The Group shares details of its vehicles on its commercial and institutional websites, as well as through campaigns and promotional materials. Should the sustainability details of products turn out to be incomplete or false, the Group's customers might make poorly informed buying choices. To reduce this impact, all external communications are first reviewed by the relevant departments.
	Potential negative	Compromise of the confidentiality/integrity/ availability of customers'/ consumers' personal data due to factors attributable to inadequate data processing by dealers	■□□	Related to the Group through its business relations	Downstream	In carrying out its activities, the Group makes use of a dealer network: they process the personal data of their employees, suppliers and customers.

Strategy

MATERIAL TOPIC	TYPE OF IMPACT	IMPACT	TIME HORIZON	GROUP INVOLVEMENT	PERIMETER	IMPACT DESCRIPTION
GOVERNANCE IMPACTS						
Business conduct	Positive Actual	Protection of persons who report misconduct (i.e. protection of whistleblowers) in order to strengthen the ability of all stakeholders to report cases of breaches of ethical standards without fear of retaliation	■■□	Caused by the Group	Entire Group	Piaggio's policies require individuals to report any non-compliant actions or behaviour they become aware of. Reports can be made anonymously in line with the Whistleblowing Policy, available at www.piaggiogroup.com, which ensures confidentiality and protection of whistleblowers against retaliation.
	Positive Actual	Spreading an ethical and transparent corporate culture to all Piaggio Group subsidiaries	■■□	Caused by the Group	Entire Group	Piaggio has always exported its corporate culture and values to all the countries in which it operates.
	Potential negative	Practices of corruption, fraud and money laundering in relations that Piaggio, through its employees, has with entities and public authorities	■□□	Caused by the Group	Entire Group	The Group participates in tenders for the sale of vehicles to public companies. Instances of corruption or bribery could occur in the bargaining activities between the parties. To prevent this risk, Piaggio's Code of Conduct states that, in participating in public tenders or competitions called by the Public Administration, as well as in any negotiation or contractual relationship stipulated/conducted both with the Public Administration and with private third parties, all parties involved must behave in good faith and in compliance with the laws, correct business practice and regulations in force, as well as with relevant company procedures, avoiding any situation that may result in a violation of laws and/or principles of fairness and transparency in the negotiations.
	Potential negative	Group lobbying against community and customer interests	■■□	Caused by the Group	Entire Group	Given its expertise, strategy, and know-how, the Group collaborates with and significantly contributes to institutions during consultations before decisions are made.

Legend:

■□□ Short term (up to 1 year)

■■□ Medium term (2-5 years)

■■■ Long term (> 5 years)

Strategy

FINANCIAL MATERIALITY

MATERIAL TOPIC	TYPE OF RISK OR OPPORTUNITY	RISK/OPPORTUNITY	TIME HORIZON	RISK/OPPORTUNITY DESCRIPTION
ENVIRONMENTAL RISKS/OPPORTUNITIES				
Climate Change	Risk	Disruption of business continuity / damage to the plant as a result of acute climatic events	■ □ □	The Group operates through industrial plants located in Italy, India, Vietnam and Indonesia. These plants face natural disasters like earthquakes, typhoons, floods, and other calamities, linked to the global issue of climate change and GHG emissions from industrial activities; such events can harm plants and may also slow down or halt production and sales activities. With help from a top consultancy, the Piaggio Group regularly reviews climate-related physical risks at its plants in Pontedera, Baramati, Vinh Phuc and Jakarta. Potential impacts related to climate change are managed by the Group through the continuous renovation of facilities, as well as by taking out specific insurance coverage for the various sites, based on their relative importance. This analysis confirmed that both analysed sites are highly resilient, with no significant problems linked to climate factors.
	Risk	Negative brand perception as a result of the implementation of production practices that are not in line with stated commitments under the Decarbonisation Plan	■ ■ ■	In order to mitigate its impact related to greenhouse gas emissions, the Group published a Decarbonisation Plan in 2023 to reduce its emission footprint to 2030. If it doesn't meet its goals, it could face a damaging blow to its reputation. This risk is mitigated by monitoring and reporting on the progress of the actions described in the Plan.
	Opportunities	Increased market share resulting from the ability to develop new vehicles that seize the opportunities of emerging trends related to sustainable mobility	■ ■ ■	The European Union's aim to reach climate neutrality by 2050 presents the Group with an opportunity for transition, which includes gaining new market shares, aided by targeted incentive policies for the purchase of electric vehicles. The Group, having long established an internal eMobility department, is seizing this opportunity by investing in and researching electric mobility. It has already had a few models with such an engine on its list for some years. A shift in customer preferences towards electric engines may benefit the Group over its rivals.
	Risk	Issuance of regulations preventing or restricting the circulation of certain types of vehicles with tight deadlines for compliance	■ ■ □	The push towards a sustainable economy, in accordance with the Paris Agreement, exposes the Group to risks associated with the shift away from current practices, as Piaggio's products must adhere to many national and international rules and regulations concerning greenhouse gas emissions and pollutants. Unfavourable changes in the regulatory and/or legal framework at a local, national and international level could mean that products can no longer be sold on the market, forcing manufacturers to invest to renew their product ranges and/or renovate/upgrade production plants. To deal with these risks, the Group has invested in research and development into innovative products, anticipating any restrictions on current regulations.
	Risk	Issue of regulations preventing or restricting the circulation of certain types of 2W vehicles in some major Asian cities (e.g. Hanoi, Ho Chi Minh City and Da Nang)	■ ■ □	
	Risk	Issue of regulations on emissions (including those generated by production activities) that impact Piaggio's business (e.g. impacts on vehicle traffic)	■ ■ □	

Strategy

MATERIAL TOPIC	TYPE OF RISK OR OPPORTUNITY	RISK/OPPORTUNITY	TIME HORIZON	RISK/OPPORTUNITY DESCRIPTION
		ENVIRONMENTAL RISKS/OPPORTUNITIES		
Pollution	Risk	Compromise of the Group's reputation related to the environmental impact of its supply chain	■□□	The Group engages with multiple suppliers for semi-finished goods and components, whose production processes for these materials/products may result in environmental impacts associated with pollution. However, in this initial year of reporting, these impacts have not been quantified in detail. If not well managed by suppliers, this impact could damage the Group's reputation. To mitigate this risk, Piaggio requires all suppliers to operate in compliance with current environmental legislation by signing its Code of Ethics.
Water and marine resources	Risk	Negative brand perception as a result of water withdrawal/consumption and related discharges at the plant	■■□	Water is a natural resource essential to the Group's business operations, primarily used in the painting process. Also, the Pontedera and Baramati plants are located in areas of high-water stress. The use and extraction of water in production significantly affects the environment. Thus, mismanaging this resource could risk the Group's reputation. To reduce this risk, the Group's manufacturing firms have adopted environmental management systems certified to ISO 14001.
	Risk	Compromise of the Group's reputation related to the environmental impact (water use and related withdrawals and discharges) of its supply chain	■□□	The extraction and use of water in the supply chain significantly affect the environment. The Group relies on multiple suppliers for parts and semi-finished goods, some of which operate in regions with water scarcity. Hence, suppliers misusing this resource could harm the Group's reputation. To mitigate this risk, Piaggio requires all suppliers to operate in compliance with current environmental legislation by signing its Code of Ethics.
Circular economy	Risk	Compromise of the Group's reputation related to the generation of hazardous and non-hazardous waste attributable to manufacturing and packaging activities	■■□	The Group inevitably generates waste in its business operations, with 13% being hazardous. Poor handling of this waste could harm the Group's reputation. Piaggio strictly complies with the regulations in force in the various countries in which it operates. To reduce this risk, the Group's manufacturing firms have adopted environmental management systems certified to ISO 14001.
	Risk	Compromise of the Group's reputation related to the environmental impact (waste generation) of its supply chain	■□□	In its operations, the Group relies on various suppliers for semi-finished goods and components, whose manufacturing processes inevitably produce waste. If suppliers don't manage waste properly, they risk damaging Piaggio's reputation. To mitigate this risk, Piaggio requires all suppliers to operate in strict compliance with current legislation by signing its Code of Ethics.
	Risk	Issue of regulations on electric vehicle batteries that impact Piaggio's business (e.g. impacts on vehicle traffic)	■■□	Given the swiftly evolving regulations for electric vehicle batteries at local, national, and international levels, the Group faces the aforementioned risk of transition. For example, in Vietnam, legislation (Decree 08/2022/ND-CP) requires manufacturers and importers to recycle vehicle batteries. Piaggio, together with Honda, Yamaha and KTM has created the Swappable Batteries Motorcycle Consortium (SBMC) with the aim of developing an international standard for exchangeable and swappable scooter and motorcycle batteries. This innovative technology aims to improve the sustainability of the battery life cycle, reduce costs and cut recharging times, meeting key consumer needs. Around 30 companies are now members of the Consortium, which includes global players in the automotive, component and battery manufacturing sectors, ready to pool their know-how for the definition of common open standards for the benefit of the consumer.
	Risk	Issue of regulations on the use of materials for vehicle production that impact Piaggio's business (e.g. impacts on vehicle traffic)	■■□	Piaggio must comply with many national and international standards and regulations concerning safety, noise, material use and importation. Adverse shifts in domestic and global regulations could necessitate alterations in vehicle materials or manufacturing processes due to factors like heightened requirements for recycling or recovering end-of-life vehicles, potentially affecting profit margins.

Strategy

MATERIAL TOPIC	TYPE OF RISK OR OPPORTUNITY	RISK/OPPORTUNITY	TIME HORIZON	RISK/OPPORTUNITY DESCRIPTION
SOCIAL RISKS/OPPORTUNITIES				
Own workforce	Risk	Compromise of the Group's reputation linked to the occurrence of tensions in the Group's relations with trade union representatives, with possible interruptions / slowdowns in business activities, as well as reputational impact (i.e. perception of reduced / non-promotion of appropriate working conditions and working hours)		Due to the industrial nature of the Group's production, Piaggio works in an environment with a significant presence of trade unions, especially in Europe. The company could face the risk of strikes and production halts if workers are affected negatively, such as not receiving fair working conditions in line with the laws of the countries where the factories are situated. To avoid the risk of interruptions to production activities, as far as possible, the Group bases its relations with trade union organisations on dialogue.
	Risk	Damage to the reputation of the Group as a result of violence/harassment against workers		Any improper behaviour by Piaggio Group staff, such as violence or harassment towards fellow employees, could harm the Group's reputation. To mitigate these risks, the Group has implemented a Code of Ethics that outlines the principles and values guiding the entire organisation. Additionally, a whistleblowing platform has been established, allowing individuals to report serious misconduct. Based on the relevance and specific aspects of the Indian market, the following are in force at the local subsidiary: the Code of Business Conduct & Ethics, the Whistle Blower Policy and the Policy on the Prevention of Sexual Harassment of women at the workplace, to prevent incidents of sexual harassment within the plant.
	Risk	Sanctions by the Privacy Authority arising from incidents of data breaches and/or failure to respect data subjects' rights (e.g. requests for erasure/ rectification/ withdrawal of consent/ access to data)		The Group handles the personal data of employees, suppliers and customers. If the confidentiality, integrity, or availability of employees', customers', and end consumers' personal data is compromised, the Group could face penalties such as fines from the Privacy Authority and damage to its reputation. For this reason, it has taken appropriate security measures to ensure efficient operation in connection with the performance of data processing activities. The company has also seen fit to appoint a Data Protection Officer (DPO). As outlined in Articles 37-39 of the GDPR, the DPO's role is to guide the company on privacy matters and oversee the handling of personal data.

Strategy

MATERIAL TOPIC	TYPE OF RISK OR OPPORTUNITY	RISK/OPPORTUNITY	TIME HORIZON	RISK/OPPORTUNITY DESCRIPTION
SOCIAL RISKS/OPPORTUNITIES				
Workers along the value chain	Risk	Compromise of the Group's reputation linked to the perception by external stakeholders of inadequate management of "social" issues related to respect for human and labour rights by its supply chain	■ □ □	In carrying out its operations, the Group sources semi-finished products and components from a number of suppliers. Their misconduct, particularly if it leads to significant consequences and breaches health and safety rules, human and labour rights, or the principles of diversity, inclusion, and equal opportunities, could damage the Group's reputation. To reduce these risks, Piaggio insists that all suppliers, by signing its Code of Ethics, adhere to its social principles and comply with existing laws.
Workers along the value chain	Risk	Compromise of the Group's reputation linked to the perception by external stakeholders of inadequate management of "social" occupational health and safety issues by its supply chain	■ □ □	In carrying out its operations, the Group sources semi-finished products and components from a number of suppliers. Their misconduct, particularly if it leads to significant consequences and breaches health and safety rules, human and labour rights, or the principles of diversity, inclusion, and equal opportunities, could damage the Group's reputation. To reduce these risks, Piaggio insists that all suppliers, by signing its Code of Ethics, adhere to its social principles and comply with existing laws.
Workers along the value chain	Risk	The Group's reputation could be compromised due to external stakeholders perceiving a lack of proper management of social issues within its supply chain, specifically concerning adherence to the principles of diversity, inclusion, and equal opportunities.	■ □ □	In carrying out its operations, the Group sources semi-finished products and components from a number of suppliers. Their misconduct, particularly if it leads to significant consequences and breaches health and safety rules, human and labour rights, or the principles of diversity, inclusion, and equal opportunities, could damage the Group's reputation. To reduce these risks, Piaggio insists that all suppliers, by signing its Code of Ethics, adhere to its social principles and comply with existing laws.
Workers along the value chain	Risk	Sanctions by the Privacy Authority arising from incidents of data breaches and/or failure to respect data subjects' rights (e.g. requests for erasure/ rectification/ withdrawal of consent/ access to data)	■ □ □	The Group handles the personal data of employees, suppliers and customers. If the confidentiality, integrity, or availability of employees', customers', and end consumers' personal data is compromised, the Group could face penalties such as fines from the Privacy Authority and damage to its reputation. For this reason, it has taken appropriate security measures to ensure efficient operation in connection with the performance of data processing activities. The company has also seen fit to appoint a Data Protection Officer (DPO). As outlined in Articles 37-39 of the GDPR, the DPO's role is to guide the company on privacy matters and oversee the handling of personal data.

Strategy

MATERIAL TOPIC	TYPE OF RISK OR OPPORTUNITY	RISK/OPPORTUNITY	TIME HORIZON	RISK/OPPORTUNITY DESCRIPTION
		SOCIAL RISKS/OPPORTUNITIES		
Consumers and end-users	Risk	Negative perception of the Piaggio brand as a result of episodes of dissemination of unclear/ incomplete information on the sustainability characteristics of products (e.g. possible episodes of greenwashing regarding % recycled materials, battery consumption, etc.)		The Group faces the risk that information provided to third parties may be false or unreliable due to major errors or missing key facts, potentially leading to false expectations among stakeholders. Should this happen, the Group's image could be damaged. To reduce this risk, all external communications are first reviewed by the relevant departments.
	Risk	Sanctions by the Privacy Authority arising from incidents of data breaches and/or failure to respect data subjects' rights (e.g. requests for erasure/ rectification/ withdrawal of consent/ access to data)		The Group handles the personal data of employees, suppliers and customers. If the confidentiality, integrity, or availability of employees', customers', and end consumers' personal data is compromised, the Group could face penalties such as fines from the Privacy Authority and damage to its reputation. For this reason, it has taken appropriate security measures to ensure efficient operation in connection with the performance of data processing activities. The company has also seen fit to appoint a Data Protection Officer (DPO). As outlined in Articles 37-39 of the GDPR, the DPO's role is to guide the company on privacy matters and oversee the handling of personal data.
	Risk	Compromise of the Group's reputation as a result of accidents/ impacts on the consumer due to the defectiveness of the product developed		Should there be any negative impact on the health and safety of end consumers due to product defects as a result of errors/failures attributable to the production stage and/or the sourcing of materials and products from third parties that are not in line with the required standards, this would expose the Group to: campaign management costs, vehicle replacement costs, possible damage claims and, if not handled properly and/or if repeated over time, reputational damage. To mitigate these risks, Piaggio has established a Quality Control system, it tests products during various stages of the production process and carefully sources its suppliers based on technical/professional standards. The quality provided by the Group is also guaranteed by obtaining and maintaining global quality management system certification (ISO 9001). The Group has also defined plans to manage recall events and has taken out insurance to protect the Group against events attributable to product defects.
	Risk	Damage to the Group's reputation as a result of product defectiveness for reasons attributable to the supplier (e.g. failure to meet agreed quality standards)		

Strategy

MATERIAL TOPIC	TYPE OF RISK OR OPPORTUNITY	RISK/OPPORTUNITY	TIME HORIZON	RISK/OPPORTUNITY DESCRIPTION
		GOVERNANCE RISKS/OPPORTUNITIES		
Business conduct	Risk	Compromise of the Group's reputation related to the failure to assess the supply chain according to specific ESG parameters	Short term	In carrying out its operations, the Group sources semi-finished products and components from a number of suppliers. Misconduct in ESG areas could negatively affect the Group's reputation. To reduce these risks, Piaggio insists that all suppliers, by signing its Code of Ethics, adhere to its social and environmental principles and comply with existing laws. The selection of suppliers is driven by quality and cost-efficiency.

Legend:

Short term (up to 1 year)

Medium term (2-5 years)

Long term (> 5 years)

The Group's main production sites are not located in or near biodiversity-sensitive areas, with the exception of the Pontedera site, which is located near a protected area, albeit outside the municipality and the Scorzè site, which, although located in an industrial area, discharges waste water into the drainage basin of the Venice Lagoon and must therefore comply with the limits regulated by specific legislation.

Piaggio made an initial screening of impacts, risks or opportunities related to biodiversity and ecosystems at its sites and assessed them as part of the double materiality analysis. Considering the distance from the protected sites and compliance with the environmental reference limits, Piaggio concluded that its activities do not cause significant impacts on the above-mentioned protected areas and therefore considered biodiversity to be non-material.
The Group has not conducted a detailed assessment of its dependencies on biodiversity and ecosystem services, nor of the transition and physical risks and opportunities related to biodiversity, including its value chain. Furthermore, the Group has not conducted consultations with affected communities on sustainability assessments of shared biological resources and ecosystems.

Piaggio continues to monitor regulatory developments and stakeholder expectations in this area and will assess the need for further evaluation in the future.

Strategy

During 2024, there were no significant financial effects related to material risks and opportunities. Moreover, the Group is of the opinion that there is no significant risk of a material adjustment to the carrying amounts of assets and liabilities within the next annual reporting period in relation to significant risks and opportunities.
Besides the brief summaries of impacts, risks, and opportunities in the table above, please see the relevant chapters for a detailed account of how the Group addresses and manages these issues, its capacity to handle them, and the resilience of its business model.

It should be noted that all significant impacts, risks, and opportunities are covered by the ESRS Disclosure Requirement, and the Group has not used entity-specific disclosures.

The 2024 materiality analysis was reviewed by the Audit, Risk and Sustainability Committee in its meeting of 10 February 2025 and approved by the Board of Directors of Piaggio & C. S.p.A. on 26 February 2025.


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THE BUSINESS MODEL

About us

The Piaggio Group has been involved in mobility since its foundation in 1884, always with an innovative focus. As early as the beginning of the 20th century, Rinaldo Piaggio aimed to expand the company into the aeronautical sector, when this also symbolically represented the cutting edge of technology.

In 140 years[23], Piaggio has designed and built every means of transport: aircraft (single, twin and four-engine), seaplanes, engines for their own planes, trains, trucks, buses, trailers, cable cars, funiculars, speedboats, outboard motors, small cars; and, of course, perhaps the most innovative product in its history: the Vespa.

The Piaggio Group has therefore always been structured to respond to changes in the scenario, both technical and social, and ready for those of the near future. It pioneered both electric mobility (1970's) and hybrid mobility (2009) and is ready for the challenges of the future. Currently, the Group stands alone in the industry for its skill in handling a diverse portfolio that includes everything from mopeds and superbikes to 4-wheelers.

Now more than ever, mobility is strongly directed by regulations, for example through the limits on CO_2 and other polluting gases (HC, NOx, etc.) that regulate the type approval of new models and limit the usage of vehicles already on the road (e.g. access to urban areas)[24].

There is also a constant change in customer preferences, as they are increasingly inclined towards the personal use of electric vehicles rather than those powered by combustion engines, and also more open to new solutions, such as sharing.

The Group sees its ability to combine industry-specific expertise, robotics and proprietary software generation as the key to improving future mobility systems in cities; furthermore through its capabilities in the production of electric vehicles and the management of related infrastructure, the Group intends confirming its leadership in the revolution which is taking place.

Piaggio today has three distinct core segments:

- two-wheelers, scooters and motorcycles from 50cc to 1,100cc flanked by the Fashion division, set up following the launch in January 2024 of the Fashion & Apparel project, created to create a Vespa collective that unites art, fashion and culture;
- light commercial vehicles, 3- and 4-wheelers;
- the robotics division with Piaggio Fast Forward, the Group's research centre on the mobility of the future based in Boston.

ORGANISATIONAL STRUCTURE

The Piaggio Group is structured into and operates within geographic segments (EMEA and Americas, India and Asia Pacific), for the development, manufacture and distribution of two-wheeler and commercial vehicles, as well as new mobility solutions.

Each geographic segment is equipped with production facilities and a sales network specifically dedicated to customers in this region.

The Group boasts an agile and flexible production capacity, enabling it to adapt quickly to the needs of the market.

No significant changes in either the corporate structure or the chain of control occurred in 2024.

23 Rinaldo Piaggio founded his company in 1884 in Sestri Levante: http://www.imprese.san.beniculturali.it/web/imprese/enterprise/dettaglio-soggetto-produttore?id=1275&codiSan=-san.cat.sogP.1275.

24 The evolution of the Euro 3 (01/2006), Euro 4 (01/2014) and Euro 5 regulations in particular (01/2020) has seen a huge reduction in pollutant gas emissions; for example, in the transition from Euro 3 to Euro 5 on the Vespa GTS 300, CO_2 decreased by 77.8%, HC by 85.5% and NOx by 79.4% (comparison of official type approval values). Piaggio category L vehicles now meet the new Euro 5+ standard, imposing tougher measures to cut air pollution. This includes enhanced on-board diagnostics (OBD 2), more rigorous durability tests, and additional noise reduction.

Strategy

CUSTOMERS

Group vehicles are sold in over 100 countries. End users of Piaggio vehicles can be either natural persons or companies that manage fleets.
Two-wheelers can be grouped mainly into two product segments: scooters and motorcycles.
In the global two-wheeler market, two macro-areas can be identified, distinctly different in terms of characteristics and scale of demand: the area of economically advanced countries (Europe, United States, Japan) and of developing countries (Asia Pacific, China, India, Latin America).
In the first macro area, which is a minority segment in terms of volumes, the Piaggio Group has a historical presence, with scooters meeting the need for mobility in urban areas and motorcycles for recreational purposes.
In the second macro area, which in terms of sales, accounts for most of the world market and is the Group's target for expanding operations, two-wheeler vehicles are the primary mode of transport.
The Commercial Vehicles category includes three- and four-wheelers with a maximum mass below 3.5 tons (category N1 in Europe) designed for commercial and private use.

In 2024, there were no significant changes in customer types or served markets.

A UNIQUE PORTFOLIO OF BRANDS

The Piaggio Group sells two-wheeler vehicles under the **Piaggio**, **Vespa**, **Aprilia** and **Moto Guzzi** brands, and commercial vehicles under the **Ape** and **Porter** brands. Some of the Piaggio Group brands are the most prestigious and historic in the world of motorcycle racing. **Moto Guzzi** celebrated its centenary in 2021. One hundred years of stunning motorcycles, of victories, of adventures, of extraordinary characters who have created the myth of the "Brand of the Eagle". **Aprilia** has made a name for itself as one of the world's most successful manufacturers participating in the World Speed and Superbike Championships. In the scooter sector, the legendary **Vespa brand** has been synonymous with two-wheel mobility since 1946, and with nearly 20 million units produced to date, it represents a commercial success story of incredible longevity, as well as being one of the most recognisable icons of Italian style and technology the world over.

PRODUCT RANGE

The Piaggio Group's main objective is to meet the most advanced mobility needs, deeply understanding people and their habits, seeking to minimise the environmental impact and consumption of the vehicles it produces, and guaranteeing excellence in performance. In striving to ensure the sustainability of its products, the Piaggio Group considers their entire life cycle, which includes design, the acquisition of raw materials, production, use of the goods by the Customer up to decommissioning, consisting of end-of-life dismantling and disposal and/or recycling of components and raw materials.
The Piaggio Group's product range includes scooters and motorcycles from 50cc to 1,100cc, also with electric engines, three- and four-wheeler light commercial vehicles. In addition, only in the US, starting from November 2019, an intelligent robot powered by an electric motor, equipped with sensors and cameras that allow it to follow people and avoid obstacles and capable of carrying a load of up to 40 pounds (Gita), has been marketed by the US affiliate Piaggio Fast Forward.

In a society which is increasingly aware of sustainability, creating products with a low environmental impact, in factories that are safe, non-polluting and do not waste resources, is becoming vital for survival.
A constant focus is placed on research into vehicles that are at the cutting edge in terms of:
- **Ecology and ability to contribute to Climate Change mitigation:** products that can avoid or, in any case, reduce emissions of polluting gases and greenhouse gases (CO_2eq) both in urban and extra-urban use; this is achieved by introducing electric engines and further developing traditional engine technologies (increasingly sophisticated internal combustion engines).
- **Reliability and safety:** vehicles that enable a greater number of users to move easily in urban centres, helping to reduce traffic congestion and guaranteeing a high level of active, passive and preventive safety;
- **Recyclability:** products that minimise environmental impact at the end of their useful life;
- **Cost-effectiveness:** vehicles with reduced maintenance and running costs per kilometre.

The Group's vehicles comply with the current approval standards in the various markets where they are sold.

Strategy

Results

You can find the revenue breakdown by geographic region and product category in the 2024 Consolidated Financial Statements, specifically in Note 4, "Net Revenues".

VEHICLES PRODUCED

2W VEHICLES	EMEA AND AMERICAS			INDIA	ASIA PACIFIC 2W		TOTAL
(NO.)	PONTEDERA	NOALE AND SCORZE'	MANDELLO DEL LARIO	BARAMATI 2W	VINH PHUC	JAKARTA	
2024	114,210	20,290	12,720	58,520	140,721	7,320	**353,781**
2023	124,785	21,069	16,985	54,112	188,452	6,956	**412,359**
Delta 2024-2023	(10,575)	(779)	(4,265)	4,408	(47,731)	364	**(58,578)**
Delta %	-8.5%	-3.7%	-25.1%	8.1%	-25.3%	5.2%	**-14.2%**

COMMERCIAL VEHICLES	EMEA AND AMERICAS	INDIA	TOTAL
(NO.)	PONTEDERA	BARAMATI 3-4W	
2024	5,714	115,777	**121,491**
2023	9,073	112,838	**121,911**
Delta 2024-2023	(3,359)	2,939	**(420)**
Delta %	-37.0%	2.6%	**-0.3%**

ENGINES	EMEA AND AMERICAS			INDIA	ASIA PACIFIC 2W	TOTAL
N.	PONTEDERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	
2024	97,028	13,945	18,254	93,614	164,110	**386,951**
2023	104,883	18,648	17,327	89,211	206,944	**437,013**
Delta 2024-2023	(7,855)	(4,703)	927	4,403	(42,834)	**(50,062)**
Delta %	-7.5%	-25.2%	5.4%	4.9%	-20.7%	**-11.5%**

PIAGGIO GROUP	2W VEHICLES			COMMERCIAL VEHICLES			% ELECTRIC VEHICLES		
(NO.)	COMBU-STION ENGINE	ELECTRIC ENGINE	TOTAL	COMBU-STION ENGINE	ELECTRIC ENGINE	TOTAL	2W VEHICLES	COM-MERCIAL VEHICLES	TOTAL
2024	351,953	1,828	**353,781**	100,049	21,442	**121,491**	0.5%	17.6%	**4.9%**
2023	409,334	3,025	**412,359**	97,880	24,031	**121,911**	0.7%	19.7%	**5.1%**
Delta 2024-2023	(57,381)	(1,197)	**(58,578)**	2,169	(2,589)	**(420)**	-0.2%	-2.1%	**-0.2%**
Delta %	-14.0%	-39.6%	**-14.2%**	2.2%	-10.8%	**-0.3%**			

Strategy

CERTIFICATION

The Piaggio Group has excellent environmental, quality and occupational management systems in place at all its production sites.
All of the Group's sites have been certified for several years for **Quality** (ISO 9001), **Environment** (ISO 14001) and **Health and Safety** (ISO 45001).
As regards certification of Occupational Health and Safety Management Systems, before switching to ISO 45001 certification, the Group had previously obtained BS OHSAS 18001 certification for all operational sites.

		PONTEDERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI ENGINE PLANT	BARAMATI TWO-WHEELER PLANT	BARAMATI COMMERCIAL VEHICLES PLANT	VINH PHUC	JAKARTA
Certification	ISO 9001 - Quality Management Systems	• since 1995	• since 2006	• since 2010	• since 2018	• since 2013	• since 2018	• since 2009	• since 2023
	ISO 14001 - Environmental Management Systems	• since 2008	• since 2008	• since 2010	• since 2015	• since 2013	• since 2015	• since 2011	• since 2023
	ISO 45001 - Occupational health and safety management systems	• since 2019	• since 2019	• since 2019	• since 2021	• since 2021	• since 2021	• since 2019	• since 2023

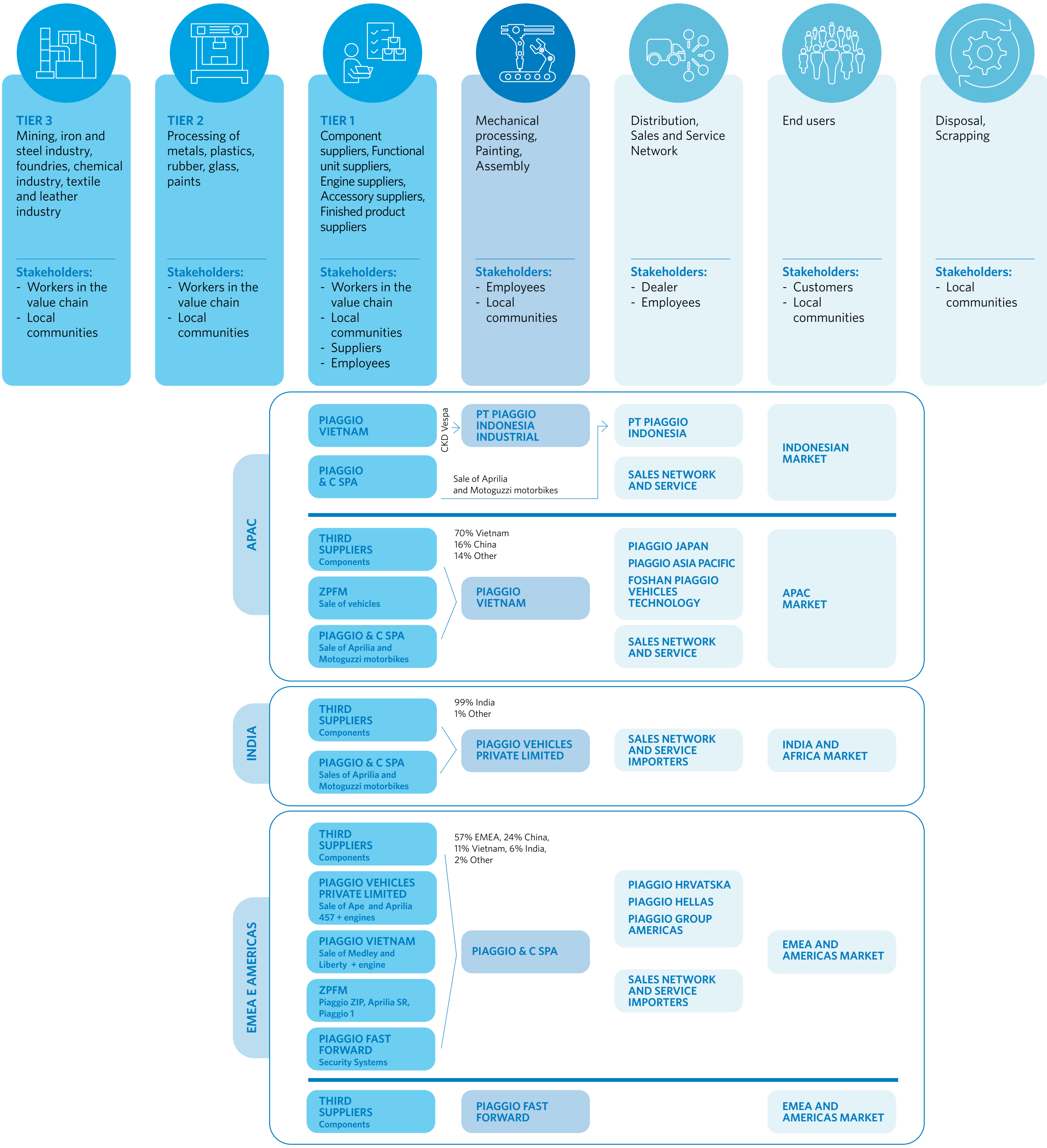
The annual audits conducted by the certification body demonstrate the Company's commitment to its Quality, Health and Safety and Environmental policies established by Top Management and are proof of the reliability of the Management Systems which are adopted with the contribution of managers and staff from all departments.

Finally, the Vietnamese plant obtained FAMA[25] certification in October 2023 to be able produce vehicles with the "Walt Disney" logo.

25 FAMA Facility And Merchandise Authorisation.

Strategy

Value chain



Strategy

PIAGGIO DESIGNS ITS VEHICLES IN-HOUSE

Piaggio has awealth of expertise, skills and knowledge acquired over the years, thanks in part to the exchange of knowledge and ideas and the synergies between its research and development centres, external research environments and its own industrial environment.
Moreover, since 2015, with the establishment of the Piaggio Fast Forward company, the Piaggio Group has developed a new way of doing research, to interpret the signs of change and find intelligent solutions to problems and new needs that will arise.
Piaggio Fast Forward aims to help the Piaggio Group, in cooperation with its Research and Development Centres around the world, to develop increasingly technological and innovative products that meet the changing needs of consumers.

PIAGGIO OPERATES THROUGH PRODUCTION PLANTS LOCATED IN SEVERAL COUNTRIES

The Piaggio Group manufactures vehicles sold under its own brands in its own factories in the various world markets. The only exception is vehicles purchased by the Chinese affiliate Zongshen Piaggio Foshan and mopeds purchased from third parties (9,797 units in 2024, equal to 2% of vehicles sold).
The Piaggio Group's plants are located in:
- **Pontedera (Pisa)**, the Group's main technical headquarter where two-wheeler vehicles under the Piaggio and Vespa brands, light transport vehicles for the European market and engines for scooters, motorbikes and Ape are manufactured;
- **Noale (Venice)**, the technical centre for the development of motorcycles for the entire Group and headquarter of Aprilia Racing;
- **Scorzè (Venice)**, the site for the production of two-wheeler vehicles under the Aprilia trademark;
- **Mandello del Lario (Lecco)**, the Moto Guzzi motorcycle and engine production plant;
- **Baramati (India, in the state of Maharashtra)**, with sites dedicated to the production of three-wheeler commercial vehicles, two-wheelers under the Vespa and Aprilia brands, and engines;
- **Vinh Phuc (Vietnam)** for the production of Vespa and Piaggio scooters and engines;
- **Jakarta (Indonesia)** for the assembly of Vespa scooters.

As mentioned above, the Piaggio Group also operates with a joint venture company in **China** (Zongshen Piaggio Foshan Motorcycles, in **Foshan**, in the province of Guangdong), 45% owned by Piaggio (and therefore not included in the line-by-line consolidation of the Group).
Piaggio is a leader in engine technology and produces engines in its own factories both for internal production and to meet the demands of other manufacturers.
All other components that make up a vehicle are purchased externally and assembled internally.

SUPPLY CHAIN

Some components are purchased externally according to a global sourcing model that guarantees the quality of the supply and its cost-effectiveness.
Generally, Piaggio doesn't purchase raw materials directly. Instead, it acquires functional assemblies like mufflers, forks, radiators, CVTs, headlamps, instruments, and electronic control units, along with other components and accessories, from external suppliers.
The purchases of production sites[26] for goods and spare parts are indicated below. Any purchases by trading companies and research centres are not considered, as they are residual and insignificant.

26 The values displayed for all production sites do not include purchases from Group companies.

Strategy

Italian sites

In 2024, Italian plants purchased goods and spare parts for a total value of €508 million from 630 suppliers. The top ten suppliers accounted for 20% of total purchases.

GEOGRAPHICAL LOCATION OF ITALIAN PLANT SUPPLIERS[27]

GEOGRAPHIC SEGMENT	2024	2023
Italy	**48.6%**	48.0%
Europe	**7.9%**	8.6%
China+Taiwan	**24.6%**	28.4%
Vietnam	**11.0%**	8.7%
India	**5.9%**	5.2%
Japan	**0.7%**	0.4%
Others	**1.3%**	0.7%

Indian sites

In 2024, Indian plants purchased components, goods and spare parts for a total value of €291 million from 570 suppliers.
The top ten suppliers accounted for 35% of total purchases.

GEOGRAPHICAL LOCATION OF INDIAN PLANT SUPPLIERS

GEOGRAPHIC SEGMENT	2024	2023
India	**99.1%**	99.4%
Other	**0.9%**	0.6%

Vietnamese sites

In 2024, Vietnamese plants purchased components, goods and spare parts for a total value of €201 million from 298 suppliers.
The top ten suppliers accounted for 37% of total purchases.

GEOGRAPHICAL LOCATION OF VIETNAMESE FACTORY SUPPLIERS

GEOGRAPHIC SEGMENT	2024	2023
Vietnam	**70.2%**	69.9%
China+Taiwan	**16.4%**	16.3%
EMEA	**4.7%**	6.1%
India	**2.9%**	2.9%
Others	**5.8%**	4.8%

27 To calculate the percentages, goods' receipts were taken into account.

Indonesian site

The main supplier of the Indonesian plant is the affiliate Piaggio Vietnam from which it receives Vespa components for assembly. In 2024, components, goods and spare parts worth a total of €657 thousands were purchased from 30 suppliers.
The top ten suppliers accounted for 98.8% of total purchases.

GEOGRAPHICAL LOCATION OF THE INDONESIAN PLANT'S SUPPLIERS

GEOGRAPHIC SEGMENT	2024	2023
Indonesia	100%	100%

The Group's relations with suppliers are based on fairness, impartiality and respect for equal opportunities for all those involved.
The Group requires its suppliers to sign the Group's general terms and conditions of supply, which include the "Code of Ethics and Business Conduct".

The supply chain saw no significant changes in the 2024 financial year.

THE DISTRIBUTION NETWORK

The Piaggio Group has a direct sales presence in the main countries of Europe, in the USA, Canada, India, Vietnam, Indonesia, Singapore, China and Japan, while it operates through importers in other markets of the Middle East, Africa, Central and Latin America and Asia Pacific.

Piaggio, which distributes its products in more than 100 countries, has an extensive distribution and sales network of qualified and reliable partners.
Since the right location is essential in order to enable each brand to express its values, for a number of years Piaggio has been using a new distribution format called "Motoplex" across the globe. The Motoplex concept revolves around the idea of a "brand island" display, capable of immersing the customer in the real experience of the brand represented.


Vespa

Strategy

FOCUS: RESEARCH, DEVELOPMENT AND INNOVATION GUIDELINES

Technical trends in mobility are described internationally with the suggestive acronym ACES, whose letters stand for **A**utonomous, **C**onnected, **E**lectrified and **S**mart (Mobility). These designations also describe the Piaggio Group's research priorities, in the continuous study of technologically advanced solutions conducted in Research Centres around the world. Added to these is the fifth letter, **D**ecarbonisation, which is the activity of reducing GHG emissions from both product and process. Due to their nature, 2-wheeler vehicles can make a major contribution to decarbonisation, compared to cars, due to their low energy requirements for production, savings in materials and low emissions in their use[28] .

ACES for Two-Wheelers (PTWs)

A

TECHNOLOGY FOR AUTONOMOUS VEHICLES

These are the automated systems with sensors, computing power and analytical capabilities that can react according to the data they collect. In the field of two-wheelers, because of their specific dynamic behaviour, intervention must be calibrated to be effective. In addition to technical capabilities, this requires the vast experience the Piaggio Group has gained in over 75 years in the industry. Leveraging the knowledge of its subsidiary Piaggio Fast Forward (PFF) in Boston, which specialises in robotics, Piaggio has equipped some of its models[29] with ARAS systems[30] based on Radar technology and named "PFF Rider Assistance Solution®"[31]. It has also experimented with "By Wire" clutch and gearbox systems, and implemented electronic gear change ais on the flagship models of its motorcycle brands[32]. A new generation of adaptive/predictive performance control systems which assist the rider in improving their skills has been introduced for the RSV4[33]. Piaggio also has "By Wire" braking systems in its portfolio, which at the moment are not considered strategic compared to the high quality of the ABS adopted.
Driving assistance software aimed at reducing energy consumption has also been developed for both ICE[34] and electric vehicles, while driving style analysis systems are being studied with the aim of increasing dynamic safety by intervening on the rider's awareness.

C

TECHNOLOGIES FOR CONNECTED VEHICLES

Connectivity made its debut on a Piaggio vehicle with the Beverly scooter in 2012, the first to adopt the Mia system that allows a smartphone to be integrated into the vehicle's electronic system. Since then, the evolution has been strong, involving Piaggio Fast Forward in the development of the dedicated app. It is in fact a two-way V2I connectivity that not only allows data exchange with the parent company, but also responds to the customer's needs (maps, weather, places of interest, display of more vehicle parameters, music, telephone, etc.) and possible distress calls (iCall).
Added to this is the possibility, on some models, to have alerts for attempted theft, battery status etc. up to fleet management. Obviously, the connectivity of vehicles, as well as of any device, requires great attention to security, the so-called cybersecurity, for which Piaggio is ready, ahead of future regulations R155 [35].
Mia is also the gateway to eCommerce and "in-app" shopping[36], already present and set to grow in importance and value in the coming years.

28 The entire two-wheeler sector accounts for 1.3% of European transport CO_2 emissions (Source: European Environment Agency 2022) and 0.31% of global emissions (Source: European Commission eu-action/transport/road-transport-reducing-co2-emissions-vehicles).
29 Piaggio Mp3 530, Moto Guzzi V100 Mandello, Moto Guzzi Stelvio V100.
30 ARAS: Advanced Rider Assistance System.
31 The system uses 4D Imaging Radar technology to provide reliable monitoring independent of environmental conditions. It includes: FCW (Forward Collision Warning), which uses the front radar to prevent potential collisions with objects and vehicles, alerting the driver through signals on the display; FCC (Following Cruise Control), which enhances cruise control by intervening on the engine brake depending on the behaviour of vehicles ahead; BLIS (Blind Spot Information System), which detects vehicles entering the blind spot within a 30-metre radius and alerts the rider via signals on the display and in the rear-view mirrors; LCA (Lane Change Assist), which warns of potential collisions with vehicles coming from behind or from the side on the display and in the rear-view mirrors when changing lanes.
32 Aprilia RSV4 and Tuono V4; Aprilia RS660 and Tuono 660; Moto Guzzi V100 and V85.
33 The predictive component of the algorithm analyses vehicle data such as speed, lean angle, gear, throttle position, and more, in real time. It anticipates and plans a smooth, precise response based on the adaptive software's understanding of the driver's style.
34 ICE: Internal Combustion Engine.
35 R155 requirements are already incorporated into Piaggio's processes and certified for the development, production, and upkeep of NP6 vehicles.
36 In-app purchases allow you to buy additional services and features, from within an application such as Mia.

Strategy

E

ELECTRIFICATION TECHNOLOGIES

Even though Electrification comes third in the ACES acronym, in reality the effort to make Mobility sustainable is the most challenging. To prepare for the 2030 objective, Piaggio has decided to embark on a path based above all on electric technology[37] , pursuing its idea of Sustainable Mobility even more strongly. "To achieve this goal, it is necessary to promote the large-scale adoption of electric vehicles, such as motorcycles, scooters and light commercial vehicles equipped with battery swap or plug-in technology, fostering more sustainable battery life cycle management and greater respect for the environment."[38]

The strategy starts in Pontedera, where Piaggio set up its new eMobility department in 2021, dedicated to the development of two-, three- and four-wheeler vehicles and components for Electric Mobility[39] . In 2024, the Piaggio Group and the Ministry of Enterprise and Made in Italy signed a Development Contract to strengthen this strategy. The plan involves investing to create and advance a new line of electric motors for zero-emission vehicles, develop components and systems for electric vehicles, and create digital solutions for safety, vehicle monitoring, driver assistance, and cybersecurity. The investments will bolster the eMobility departments in Pontedera, already home to 50 software and digital manufacturing experts.

Piaggio's electric product range is evolving rapidly, not only for the EMEA market but for the whole world. It already includes the Group's flagship product, the Vespa Elettrica (moped and motorbike version), of which other versions dedicated to various markets will be produced, as well as the Piaggio 1 scooter (moped and scooter version). Ape Elettrica, specifically designed for the Indian market, also enjoys commercial success and perfectly represents how an iconic and evergreen vehicle can be electrified.

The near future will see more models for other segments, all equipped with lithium-ion (Li-Ion) batteries with BMS and remote control, with a focus on standardisation and end-of-life recovery. Prominent among these projects is the Porter Electric, the Zero Emission Version (ZEV) of the classic but very modern four-wheeler soon to be released to the market. Other projects will result from the agreement between the Piaggio Group and the Chinese giant Foton Motor Group "for the development of a new range of four-wheeler light commercial electric vehicles"[40] . Moreover, Piaggio has never stopped researching hybrid propulsion, the system that combines the advantages of electric motors and ICE to improve performance and fuel consumption. Building on the experience gained since 2009 with the Piaggio Mp3 Hybrid, the world's first Parallel Hybrid scooter, the Group is continuing its research in the field of Mild Hybrids. In addition to the main research strand of eMobility, Piaggio is also keeping a close eye on alternative energy vectors, such as Hydrogen with Fuel Cells (HEV), which has already been tested in the past [41] and other renewable fuels, which could bring the classic ICEs up to date in applications where they are difficult to replace.

S

SMART, INTELLIGENT MOBILITY SOLUTIONS

In this field, Piaggio's ongoing commitment is to ensure that its vehicles are ready to be part of the intelligent mobility chain. This means being electric, connected, remotely manageable, easy to use, equipped with exchangeable batteries: all qualities that Piaggio electric vehicles have and will have.

37 Guideline outlined by Roberto Colaninno, former Chairman and CEO of the Piaggio Group.
38 Statement by Michele Colaninno, CEO of the Piaggio Group.
39 The future of Electric Mobility requires a change in pace in infrastructure, primarily for charging vehicles.
40 19/10/2023 - The CEO of Piaggio & C. S.p.A., Michele Colaninno, and the Vice President of Foton Motor Group, Ma Rentao, signed a contract in Beijing, updating the previous contracts from 2022, for the joint development of a new range of electric-powered Porter. Piaggio's range of commercial vehicles will thus be expanded with two new four-wheeler electrically powered variants, manufactured at the Piaggio Group's Pontedera plant.
41 Piaggio has built a prototype FCEV (Fuel Cells Electric Vehicle) scooter powered by compressed hydrogen.

Strategy

As anticipated, the game of the future will be played with five ACES: the fifth, a fundamental theme for research at Piaggio is

D

DECARBONISATION

This is a process that involves the entire production chain of the Group[42], but even when limited to R&D alone, it translates into concrete actions: a new design philosophy [43], choice of materials and, in general, fostering a culture of "circularity". The Group's medium-term objective is to succeed in reducing the demand for raw materials, particularly those that are scarce or have a polluting production cycle (e.g. energy-intensive, high GHG emissions), by favouring the RRS (**Recycle, Reuse, Save**) production philosophy:

Recycling: through the use of recyclable materials, the foundations are laid for a Product suitable for being part of Circularity[44] .

Reuse: an example of possible (direct) reuse is lithium batteries. These usually have a longer life than the vehicle; so they can be reused, provided they can be easily separated and standardised[45] . The Piaggio 1 batteries, for example, are designed with this in mind: they are removable, made of recyclable materials and are also of a dimensional standard for future Piaggio electric vehicles in the same range.

Saving: another example of attention to the use of resources is the elimination of rare earths from electric motors, as well as other precious and hardly reusable materials usually found in electronic components.

Alternative fuels: decarbonisation is also and above all about Products and is the main driver for research in Sustainable Mobility. The Piaggio Group wholeheartedly pursues electrification, but believes that this alone cannot solve all problems. Other approaches to **decarbonisation** exist, and are needed: for example, the use of alternative, non-fossil fuels in combustion engines[46] , alongside the direct electrification of vehicles.
The Piaggio Group's attention is also focused on synthetic and biofuels, which will solve the problems of autonomy and architecture, typical of electric engines in the motorcycle sector [47]. The use of these fuels will make it possible to **reuse** a large part of existing ICE vehicles, making them Zero Emission Vehicles (ZEVs) through a change of fuel and related technology.
This is one of the reasons why the Piaggio Group is also continuing research into conventional engines in order to make them increasingly efficient. The strong technical and economic effort being made to adapt production to the Euro5+ standard, which is stricter than the previous one, will also have a positive impact on the future use of synthetic and biofuels. Green hydrogen comes under this category and is used for electric vehicles with fuel cells (FCEV)[48] , as it is not cost-effective for internal combustion engines.

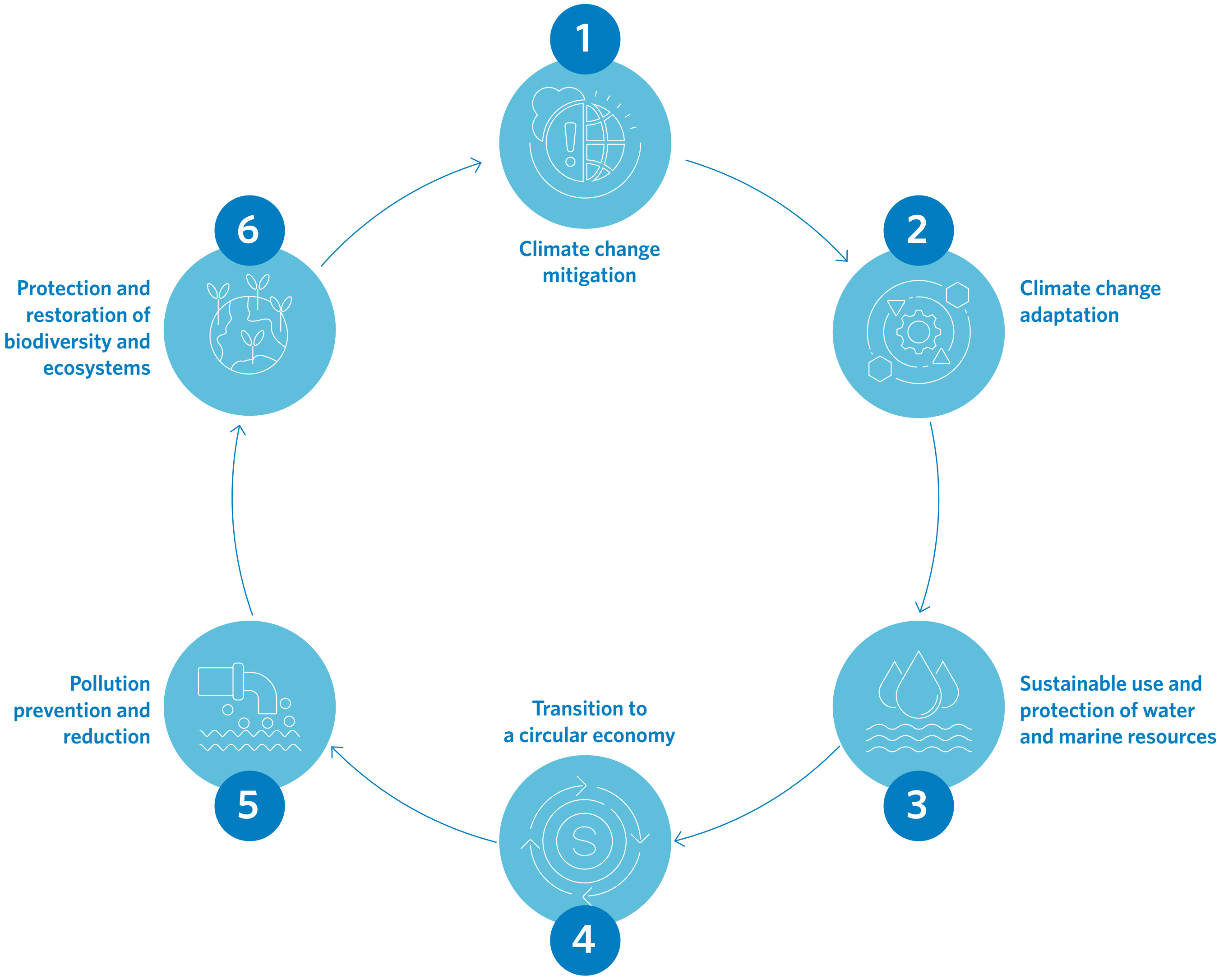
42 The Piaggio Group adheres to REACH and ELV - N1.
43 Example: Design aimed at reducing the number of parts in a vehicle. The elimination of a body part, through its integration with an adjacent one, generates a cascade of benefits: a reduction in the moulds to be built with consequent material and energy savings throughout their production process; the elimination of material waste; a reduction in moulding energy; a reduction in the number of packages; a reduction in the energy needed for transport; reduced time and energy for assembly of the finished product; streamlining of warehouse management and spare parts management. All this is achieved without having changed the content of the Product, but only having steered the design in this direction.
44 Piaggio's commitment in this field includes a close relationship with the University of Florence aimed at optimising the design of new vehicles in RRS terms, in place since 2011 when the first survey of this kind was conducted on a scooter (Piaggio Mp3 Hybrid). In 2023, the survey focused on the Vespa GTS 300 and highlighted the substantial and design quality of the product, which was found to be 89.7% recyclable.
45 The Piaggio Group, HONDA Motor Co., Ltd., KTM F&E GmbH, and YAMAHA Motor Co, Ltd. established the Swappable Batteries Motorcycle Consortium (SBMC), in order to promote the widespread use of light electric vehicles such as motorised mopeds, scooters, motorcycles, tricycles and quadricycles, and to encourage a more sustainable management of the life cycle of batteries, in keeping with international climate policies.
46 Synthetic and biological fuels, as well as electricity, must be produced from and with renewable energy to be truly carbon footprint-free.
47 Apart from city or intercity scooters, there is an important market segment of two-wheeler vehicles whose physical and functional characteristics do not allow for their electrification; these products could be safeguarded, on the same level as decarbonisation, through the use of synthetic and biofuels.
48 As we have already seen, FCEV stands for Fuel Cells Electric Vehicle, and BEV stands for Battery Electric Vehicle. Hydrogen stored in a cylinder plus an FC that converts it into electrical energy is the equivalent of a charged battery.

ENVIRONMENTAL INFORMATION

THE EUROPEAN TAXONOMY

Introduction to European Taxonomy

The European Union, in line with the contents of the 2015 Paris Climate Agreement and the 17 Sustainable Development Goals of the UN 2030 Agenda, has developed an ambitious strategy towards more sustainable economic models for achieving the 2050 climate neutrality target. To achieve these targets, the EU intends to promote investment in sustainable assets and activities through the use of public and private resources. In this context, within the action plan on sustainable finance adopted in 2018 by the European Commission, the classification system or "taxonomy" of sustainable activities was established, set out in Regulation (EU) 2020/852 (hereinafter "the Regulation"), in which the criteria are defined to determine whether an economic activity can be considered as environmentally sustainable, reducing the risk of greenwashing, and guaranteeing financial institutions and investors greater comparability regarding the degree of eco-sustainability of an associated investment. In particular, the Regulation classifies the economic activities that can potentially be aligned with the 6 environmental objectives defined by the European Union:



The European Taxonomy

The Regulation and subsequent legislation classifies economic activities in such a way as to be potentially eligible under the Taxonomy and thus "Eligible" for all 6 of the aforementioned environmental objectives and eco-sustainable and thus "Aligned" in relation to them.
In order to understand whether own "Eligible" activities can also be considered as "Aligned", compliance with two types of criteria must be met:
- technical screening criteria described in the Delegated Regulations which ascertain whether the activities considered make a substantial contribution to adaptation and mitigation to climate change;
- "DNSH" (Do No Significant Harm) criteria, which ascertain whether the activities under consideration cause significant harm to any of the other environmental objectives.

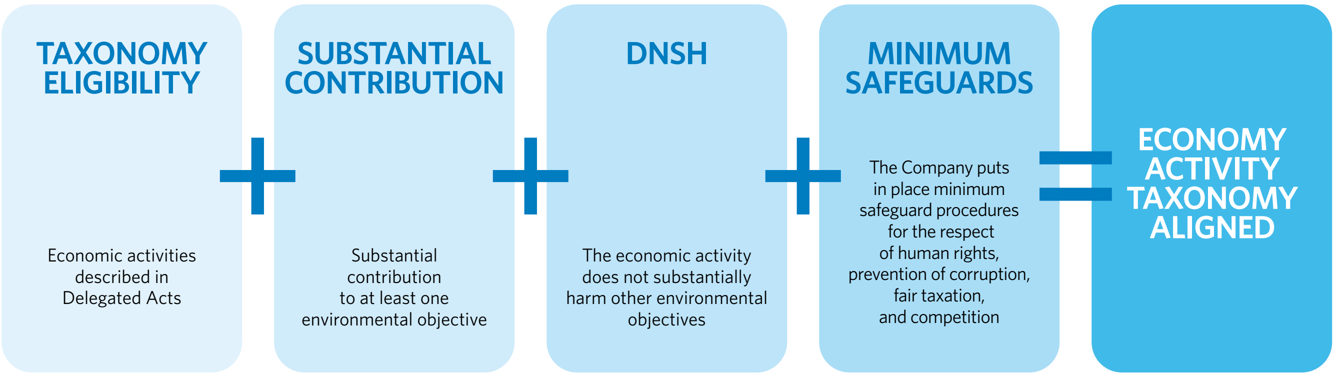
In addition to these specific technical requirements, the Regulation also requires that an economic activity, to be considered ecosustainable (i.e. "Aligned"), is carried out in compliance with the minimum safeguard guarantees ("Social Minimum Safeguards"). In this context, the organisation must demonstrate through the procedures implemented its compliance with the OECD Guidelines for Multinational Enterprises, as well as the United Nations Guiding Principles on Business and Human Rights. This includes respect for the principles and rights outlined in the eight fundamental conventions identified in the International Labor Organization's declaration on fundamental principles and rights at work and in the International Bill of Human Rights.

Article 8 of Regulation (EU) 2020/852 defines the taxonomy reporting obligation, which are applicable to non-financial companies and, in July 2021, Regulation (EU) 2021/2178 further supplemented the content of the Regulation to clarify how the Taxonomy disclosure should be calculated and presented.
Since 1 January 2022, with regard to data for the 2021 financial year, companies have reported the information necessary to meet the requirements of the Regulation in their non-financial statement. In particular, the information that the Taxonomy requires non-financial undertakings to report refers to the following indicators:
a. the proportion of turnover from products or services associated with economic activities considered by the Taxonomy;
b. the proportion of capital expenditure and the proportion of operating expenditure related to activities or processes associated with economic activities considered by the Taxonomy.

Following the first-time adoption of the Regulation for the 2021 financial year, non-financial companies were requested to report on their proportion of own turnover, investments (Capex) and operating costs (Opex) (as defined by Commission Delegated Regulation (EU) 2021/2178) related to eligible economic activities, within the meaning of the Taxonomy. Starting from 1 January 2023, in relation to data for the 2022 financial year, non-financial companies are required to report the above parameters relating not only to the share of "Eligible" activities, but also to environmentally sustainable activities (so-called "Aligned").
Furthermore, for publications occurring in the period 1 January - 31 December 2024, in addition to the disclosure applicable for the 2022 financial year, non-financial entities are required to provide disclosure of the same KPIs in relation to eligible activities with reference to environmental objectives (referred to in EU Delegated Regulation 2023/2486) and to the additional activities identified for the climate objectives by EU Delegated Regulation 2023/2485. For publications covering the period from 1 January to 31 December 2025, it is mandatory to disclose the specified KPIs in connection with activities that are "Aligned" with environmental objectives.
In this context, the Piaggio Group, in order to comply with the requirements of the legislation, has continued the analyses of its activities already identified as "Eligible" and "Aligned" with reference to the objective of Mitigation of climate change (as identified mainly as most suitable in relation to the types of economic activities carried out by the Group) in the disclosure relating to the 2024.

The European Taxonomy

Methodological Approach



TECHNICAL SCREENING CRITERIA

Following the analysis described above, in its 2024 Sustainability Report, the following economic activities related to the Piaggio Group's "core business" were identified as Taxonomy-Eligible:

Climate change mitigation

- 3.3 "Manufacture of low-carbon technologies for transport", concerning the production and marketing of vehicles;
- 3.18 "Production of Automotive and Mobility Components", concerning the production and marketing of spare parts;
- 6.4 "Management of Personal Mobility Devices, Cycling", in connection with the sale of Mopeds;
- 7.6 "Installation, maintenance and repair of renewable energy technologies, concerning the installation of photovoltaic panels";

Transition to a circular economy

- 2.3 "Collection and transport of non-hazardous and hazardous waste";

Sustainable use and protection of water and marine resources

- 2.2 "Urban waste water treatment", concerning water discharge facilities;

Pollution prevention and reduction

- 2.4 "Remediation of contaminated sites and areas".

The European Taxonomy

Regarding the Group's activities eligible for the climate change mitigation goal, we analysed the specific technical screening criteria. We identified activities 3.3 and 6.4 as potentially assessable for alignment. This applies solely to vehicles with zero GHG emissions and the production of car components, personal mobility, and cycling devices (note that for activity 3.18, it is only considered eligible).

MINIMUM SAFEGUARDS AND DNSH

The above activities were carried out at the same time as assessing compliance with the Minimum Safeguards in the areas of human rights, corruption, fair competition and taxation, as defined in the EU Taxonomy Regulation, also with reference to the suggestions put forward in the Platform on Sustainable Finance's "Final Report on Minimum Safeguards" published in October 2022. In this context, we have seen how the Code of Ethics and, in general, the policies and practices adopted by the Piaggio Group in conducting its business, establish the principles and standards applicable to the protection of human rights, fundamental rights and, in general, rules of correct and ethical conduct in doing business, and require their compliance by all stakeholders to whom they are addressed (employees, external staff, suppliers, distributors and other business partners). Moreover, there were no final convictions against the Piaggio Group with reference to the other areas covered by the Minimum Safeguards; tax disputes are still pending, which, however, have an economic and reputational impact risk assessment of no greater than "low", as the Piaggio Group is not reasonably expected to lose the case.

The Company's management reviewed the Group's organisational framework and the year's events, considering the details in the "Protecting the human rights of employees" section relating to the subsidiary Piaggio Vehicles Limited ("PVPL"). Despite the assessment to date showing no signs of labour or health and safety breaches, racial discrimination, modern slavery, or workplace harassment, we are still working on enhancing our policies, internal controls, and mitigation measures. These efforts are part of the broader Due Diligence expansion outlined in the "Statement on Due Diligence" section.

Given this, despite no signs of failing to meet the Minimum Safeguards at the time of writing, the Group has cautiously chosen not to classify the assets as "Taxonomy Aligned" for 2024 until the process is complete.

The Group will update the DNSH analysis for the purpose of alignment calculation in the next financial year.

Methodological Approach to KPI Calculation

IDENTIFICATION OF "ELIGIBLE" (TAXONOMY-ELIGIBLE) AND "ENVIRONMENTALLY SUSTAINABLE" (TAXONOMY-ALIGNED) ACTIVITIES

The first stage of the process made it possible to identify, through an analysis of the activities included in the Delegated Regulations, those applicable to the Piaggio Group's business in view of the description provided by the annexes to them.

The European Taxonomy

Based on the above analysis, the Piaggio Group's activities that can contribute to achieving the listed objectives are:

	ACTIVITY DESCRIPTION TAXONOMY-ELIGIBLE	KPI APPLICABLE	REFERENCE CONSOLIDATED BALANCE SHEET ITEM
3.3	Manufacture of low-carbon technologies for transport	Turnover	**Net Revenues** - Sale of 2, 3 and 4-wheeler motor vehicles and GITA robots
		CapEx	**Property, Plant and Equipment, Intangible Assets and Rights of Use**
		OpEx	**External maintenance and cleaning costs**
3.18	Production of automotive and mobility components	Turnover	**Net Revenues** - spare parts
		CapEx	**R&D, Property, plant and equipment** - investments to provide technical specifications to spare parts suppliers
6.4	Management of personal mobility devices, cycling	Turnover	**Net revenues** - sale of mopeds and Wi Bikes
2.4	Remediation of contaminated sites and areas	CapEx	**Land and Buildings** – investments in remediation work at the Mandello site and for the asbestos roofing on building 45 at Pontedera
7.6	Installation, maintenance and repair of renewable energy technologies	CapEx	**Property, plant and equipment** – investments in solar panels – Piaggio Vehicles Pvt Limited
2.3	Collection and transport of non-hazardous and hazardous waste	OpEx	**Operating expenses** – waste treatment plant maintenance – Piaggio Vietnam
2.2	Urban waste water treatment	OpEx	**Operating expenses** – urban waste water treatment plant maintenance – Piaggio Vietnam and Piaggio Vehicles Pvt Limited

The analyses were carried out on the basis of the interpretations of the taxonomy regulations available to date, as well as taking into account, where possible, the clarifications officially provided by the EU Commission regarding the practical application of the regulations, as well as the preparation of the relevant disclosures. In this context, consistent with evolving interpretations and regulatory requirements, the information presented in this chapter may be subject to further updates and revisions.

DEFINING THE PERIMETER

Based on the requirements of the Regulation, the calculation of the percentages of "eligible" activities was also carried out for 2024 and includes all companies of the Piaggio Group consolidated on a line-by-line basis.

CALCULATING THE KPIS

Based on the Group's Consolidated Financial Statements for the year ended 31.12.2024 (hereinafter also referred to as the "Financial Statements"), the percentage of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) in relation to respective total values was calculated for each identified "eligible" activity.

TURNOVER CALCULATION

The share of the Turnover referred to in Article 8(2)(a) of Regulation (EU) 2020/852 is to be calculated as the part of net revenue obtained from products or services, including intangible products or services, associated with economic activities aligned with the taxonomy (numerator), divided by net revenue (denominator) in accordance with Article 2(5) of Directive 2013/34/EU.

For the 2024 financial year, the Piaggio Group carried out the following activities for the production of taxonomy-eligible goods or services:

- activity "**3.3 Manufacture of low-carbon technologies for transport**" with specific reference to the sale of 2-, 3- and 4-wheeler motor vehicles and GITA robots;
- activity "**3.18 Production of automotive and mobility component**s" with specific reference to the production and sale of spare parts;
- activity "**6.4 Management of personal mobility devices, cycling**" with specific reference to the sale of wi-bikes and personal mobility devices.

Starting from Net Revenues, in order to identify the portion considered Taxonomy-eligible, the portions of revenues related to "Accessories and other revenues" were subtracted, as they were deemed not applicable for eligibility purposes.

The percentage eligible for taxonomy was 97.1%. This was determined by comparing the total turnover, excluding accessory sales and other income, with the total turnover achieved.

CALCULATION OF THE PROPORTION OF CAPITAL EXPENDITURE (CAPEX)

The share of the capital expenditure referred to in Article 8(2)(b) of Regulation (EU) 2020/852 is to be calculated as the numerator defined in point 1.1.2.2 of Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 divided by the denominator defined in point 1.1.2.1 of the same Delegated Regulation.

Specifically, the numerator for the calculation of CapEx is represented by the additions to property, plant and equipment and intangible assets and "Eligible" rights of use that occurred during the year, before amortisation, depreciation, any revaluations and excluding changes due to fair value.

The denominator, on the other hand, includes total capital expenditure and increases in rights of use, before amortisation, depreciation, any revaluations and excluding changes due to fair value.

For the 2024 financial year, the Piaggio Group incurred the following taxonomy-eligible capitalised costs:

- activity "**3.3 Manufacture of low-carbon technologies for transport**" at all the Group's production sites, with specific reference to investments in the design and manufacture of zero-emission vehicles (with the sole exclusion of those made for Racing).
- activity "**3.18 Production of automotive and mobility components**" with specific reference to investments to provide technical specifications to parts suppliers;
- activity "**7.6. Installation, maintenance and repair of renewable energy technologies**" with specific reference to investments in plants that produce energy through the installation of photovoltaic panels;
- activity "**2.4. Remediation of contaminated sites and areas**" with specific reference to the remediation of production sites;

The taxonomy-eligible percentage for the share of capital expenditure was 93.99%.

The European Taxonomy

CALCULATION OF THE PROPORTION OF OPERATING EXPENDITURE (OPEX)

The share of operating expenditure referred to in Article 8(2)(b) of Regulation (EU) 2020/852 is to be calculated as the numerator defined in point 1.1.3.2 of Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 divided by the denominator defined in point 1.1.3.1 of the same Delegated Regulation.
Specifically, the numerator for the calculation of OpEx is the total value of non-capitalised indirect research and development costs and any other direct expenditure related to the ordinary maintenance and repair of property, plant and equipment necessary to ensure the continuous and effective operation of such assets. The denominator, on the other hand, is the total value of these costs.
For the 2024 financial year, the Piaggio Group incurred the following taxonomy-eligible operating costs:

- activity "**3.3 Manufacture of low-carbon technologies for transport**" with specific reference to maintenance and repair costs, both of buildings and of plant and equipment, relating to production facilities where zero-emission vehicles are produced;
- activity "**2.3. Collection and transport of non-hazardous and hazardous waste**" with specific reference to the activities of waste classification, registration and management according to the national laws of each establishment;
- activity "**2.2. Urban Waste Water Treatment**" with specific reference to urban waste water treatment activities.

The taxonomy-eligible percentage for the share of operating expenses was 97.9%.

The European Taxonomy

Table pursuant to Regulation (EU) 2020/852

PROPORTION OF TURNOVER DERIVED FROM PRODUCTS AND SERVICES ASSOCIATED WITH ECONOMIC ACTIVITIES ALIGNED WITH THE TAXONOMY - DISCLOSURE FOR THE YEAR 2024

ECONOMIC ACTIVITIES (1)				CRITERIA FOR SUBSTANTIAL CONTRIBUTION						DNSH CRITERIA ("DO NO SIGNIFICANT HARM")									
	CODE(S) (2)	NET REVENUES (3)	% PROPORTION OF NET REVENUES 2024 (4)	CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	WATER AND MARINE RESOURCES (7)	CIRCULAR ECONOMY (8)	POLLUTION (9)	BIODIVERSITY AND ECOSYSTEMS (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER AND MARINE RESOURCES (13)	CIRCULAR ECONOMY (14)	POLLUTION (15)	BIODIVERSITY AND ECOSYSTEMS (16)	MINIMUM SAFEGUARDS (17)	SHARE OF TAXONOMY-ALIGNED (A.1) OR TAXONOMY-ELIGIBLE (A.2) REVENUES, 2023 (18)	CATEGORY (ENABLING ACTIVITY) (19)	CATEGORY (TRANSITIONAL ACTIVITY) (20)
		MLN €	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Activity 1: Manufacture of low-carbon technologies for transport	CCM 3.3	0	0%														6.26%	E	
Activity 3: Management of personal mobility devices, cycling	CCM 6.4	0	0%														0.00%		
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%														6.27%		
Of which enabling		*0*	*0%*														*6.26%*	*E*	
Of which transitional		*0*	*0%*														*0.00%*		*T*
A.2 Activities eligible for the taxonomy but not environmentally sustainable (activities not taxonomy-aligned)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Activity 1: Manufacture of low-carbon technologies for transport	CCM 3.3	1,482.0	87.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								82.75%		
Activity 2: Production of automotive and mobility components	CCM 3.18	170.2	10.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.46%		
Activity 3: Management of personal mobility devices, cycling	CCM 6.4	0.1	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Turnover from activities eligible for the taxonomy but not environmentally sustainable (activities not taxonomy-aligned) (A.2)		1,652.3	97.1%	97.1%	0.00%	0.00%	0.00%	0.00%	0.00%								83.21%		
Turnover from taxonomy eligible activities (A.1 + A.2)		1,652.3	97.1%	97.1%	0.00%	0.00%	0.00%	0.00%	0.00%								89.47%		
A. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																			
Turnover from activities not eligible for the taxonomy		49.0	2.9%																
TOTAL		1,701.3	100%																

	PROPORTION OF NET REVENUES/TOTAL NET REVENUES	
	TAXONOMY-ALIGNED BY OBJECTIVE	TAXONOMY-ELIGIBLE BY OBJECTIVE
CCM Climate change mitigation	0.0%	97.1%
CCA Climate change adaptation	0.0%	0.0%
WTR Sustainable use and protection of water and marine resources	0.0%	0.0%
CE Transition to a circular economy	0.0%	0.0%
PPC Pollution prevention and reduction	0.0%	0.0%
BIO Protection and restoration of biodiversity and ecosystems	0.0%	0.0%

The European Taxonomy

PROPORTION OF CAPITAL EXPENDITURE FROM PRODUCTS AND SERVICES ASSOCIATED WITH ECONOMIC ACTIVITIES ALIGNED WITH THE TAXONOMY - DISCLOSURE FOR THE YEAR 2024

ECONOMIC ACTIVITIES (1)	CODE(S) (2)	CAPITAL EXPENDITURE (3)	PROPORTION OF CAPITAL EXPENDITURE 2024 (4)	CRITERIA FOR SUBSTANTIAL CONTRIBUTION: CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	WATER AND MARINE RESOURCES (7)	CIRCULAR ECONOMY (8)	POLLUTION (9)	BIODIVERSITY AND ECOSYSTEMS (10)	DNSH CRITERIA ("DO NO SIGNIFICANT HARM"): CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER AND MARINE RESOURCES (13)	CIRCULAR ECONOMY (14)	POLLUTION (15)	BIODIVERSITY AND ECOSYSTEMS (16)	MINIMUM SAFEGUARDS (17)	SHARE OF CAPITAL EXPENDITURE ALIGNED WITH (A.1) OR ELIGIBLE FOR (A.2) THE TAXONOMY, YEAR 2023 (18)	CATEGORY (ENABLING ACTIVITY) (19)	CATEGORY (TRANSITIONAL ACTIVITY) (20)
		MLN €	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Activity 1: Manufacture of low-carbon technologies for transport	CCM 3.3	0	0%														15.46%	E	
Activity 3: Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0	0%															E	
Capital expenditures of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%														15.46%		
Of which enabling		*0*	*0%*														*15.46%*	*E*	
Of which transitional		*0*	*0%*														*0.00%*		*T*
A.2 Activities eligible for the taxonomy but not environmentally sustainable (activities not taxonomy-aligned)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Activity 1: Manufacture of low-carbon technologies for transport	CCM 3.3	177.11	93.47%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								77.12%		
Activity 2: Production of automotive and mobility components	CCM 3.18	-	-	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.01%		
Activity 3: Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.96	0.51%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.01%		
Activity 4: Collection and transport of non-hazardous and hazardous waste	CE 2.3	-	-	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.02%		
Activity 5: Remediation of contaminated sites and areas	PPC 2.4	0.02	0.01%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.25%		
Activity 6: Urban waste water treatment	WTR 2.2	-	-	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0.07%		
Capital expenditures of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		178.09	93.99%	93.98%	0.00%	0.00%	0.00%	0.01%	0.00%								77.47%		
Capex of taxonomy eligible activities (A.1+A.2)		178.09	93.99%	93.98%	0.00%	0.00%	0.00%	0.01%	0.00%								92.93%		
A. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																			
Capital Expenditure of activities not eligible for the taxonomy		11.39	6.01%																
TOTAL		189.48	100%																

	PROPORTION OF CAPITAL EXPENDITURE/TOTAL CAPITAL EXPENDITURE	
	TAXONOMY-ALIGNED BY OBJECTIVE	TAXONOMY-ELIGIBLE BY OBJECTIVE
CCM Climate change mitigation	0.0%	93.98%
CCA Climate change adaptation	0.0%	0.0%
WTR Sustainable use and protection of water and marine resources	0.0%	0.0%
CE Transition to a circular economy	0.0%	0.0%
PPC Pollution prevention and reduction	0.0%	0.01%
BIO Protection and restoration of biodiversity and ecosystems	0.0%	0.0%

The European Taxonomy

PROPORTION OF CAPITAL EXPENDITURE FROM PRODUCTS AND SERVICES ASSOCIATED WITH ECONOMIC ACTIVITIES ALIGNED WITH THE TAXONOMY - DISCLOSURE FOR THE YEAR 2024

ECONOMIC ACTIVITIES (1)				CRITERIA FOR SUBSTANTIAL CONTRIBUTION						DNSH CRITERIA ("DO NO SIGNIFICANT HARM")									
	CODE(S) (2)	OPERATING EXPENSES (3)	PROPORTION OF OPERATING EXPENDITURE 2024 (4)	CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	WATER AND MARINE RESOURCES (7)	CIRCULAR ECONOMY (8)	POLLUTION (9)	BIODIVERSITY AND ECOSYSTEMS (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER AND MARINE RESOURCES (13)	CIRCULAR ECONOMY (14)	POLLUTION (15)	BIODIVERSITY AND ECOSYSTEMS (16)	MINIMUM SAFEGUARDS (17)	SHARE OF TAXONOMY-ALIGNED (A.1) OR TAXONOMY-ELIGIBLE (A.2) OPERATING EXPENSES, 2023 (18)	CATEGORY (ENABLING ACTIVITY) (19)	CATEGORY (TRANSITIONAL ACTIVITY) (20)
		MLN €	%	Y;N; N/ EL	Y;N; N/ EL	Y;N; N/ EL	Y;N; N/ EL	Y;N; N/ EL	Y;N; N/ EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Activity 1: Manufacture of low-carbon technologies for transport	CCM 3.3	0	0%														5.35%	E	
Operating expenditure of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%														5.35%		
Of which aligned		*0*	*0%*														*5.35%*	*E*	
Of which transitional		*0*	*0%*														*0.00%*		*T*
A.2 Activities eligible for the taxonomy but not environmentally sustainable (activities not taxonomy-aligned)																			
				EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL										
Activity 1: Manufacture of low-carbon technologies for transport	CCM 3.3	27.48	97.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								93.29%		
Activity 2: Collection and transport of non-hazardous and hazardous waste	CE 2.3	0.10	0.4%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								-		
Activity 3: Urban waste water treatment	WTR 2.2	0.08	0.3%	N/EL	N/EL	EL	N/EL	N/EL	N/EL								-		
Operating expenditure of activities not eligible for the taxonomy (A.2)		27.66	97.9%	97.2%	0.0%	0.3%	0.4%	0.0%	0.0%								93.29%		
Operating expenditure of taxonomy-eligible activities (A1+A2)		27.66	97.9%	97.2%	0.0%	0.3%	0.4%	0.0%	0.0%								98.64%		
Operating expenditure of activities not eligible for the taxonomy		0.60	2.1%																
TOTAL		28.26	100%																

	PROPORTION OF OPEX/TOTAL OPEX	
	TAXONOMY-ALIGNED BY OBJECTIVE	TAXONOMY-ELIGIBLE BY OBJECTIVE
CCM Climate change mitigation	0.0%	97.2%
CCA Climate change adaptation	0.0%	0.0%
WTR Sustainable use and protection of water and marine resources	0.0%	0.3%
CE Transition to a circular economy	0.0%	0.4%
PPC Pollution prevention and reduction	0.0%	0.0%
BIO Protection and restoration of biodiversity and ecosystems	0.0%	0.0%

The European Taxonomy

Reporting under Annex XII DDA EU Delegated Regulation 2021/2178

If financial or non-financial firms do not engage in, finance or are not exposed to an activity listed in rows 1 to 6 of Template 1 of Annex XII to the DDA, they must enter "No" to the questions in the following template. Furthermore, by answering "No" to all questions, this implies the possibility of omitting to complete and provide disclosure for Templates 2 to 5 of that Annex for the respective applicable KPIs.

TEMPLATE 1 - NUCLEAR AND FOSSIL GAS ACTIVITIES

ROW	NUCLEAR ENERGY RELATED ACTIVITIES	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	FOSSIL GAS RELATED ACTIVITIES	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

CLIMATE CHANGE

The phases of a vehicle's life cycle that determine the greatest environmental impacts can be summarised as follows:

- In the raw materials/components procurement phase, the main impact derives from production and distribution, which involves direct and indirect GHG and other emissions.
- In the production phase, the greatest impacts are related to the consumption of electricity and natural gas which results in direct and indirect GHG and other emissions, water consumption mainly related to painting, and the amount of waste produced. All these impacts are monitored and reported on in the following pages.
- In the distribution phase, the impact stems from the fuel consumption of vehicles used to transport finished products, spare parts and accessories.
- In the customer use phase, the impact derives from the fuel consumption of vehicles and the eventual disposal of consumables and worn components.
- Finally, in the decommissioning phase, the impact derives from the activity of dismantling the various components for recovery or disposal. All vehicles are designed for effective end-of-life disposal. Group vehicles have a particularly long life. The Vespa maintains a high second-hand value and is collected by a large group of enthusiasts.

Environmental Management System

For several years now, the Piaggio Group has been implementing an environmental management system at all its production sites that complies with the UNI EN ISO 14001 international standard. Certification audits were successfully completed in 2024.

The Piaggio Group has defined a specific organisational structure to pursue environmental sustainability objectives at its production sites.
For sites located in Italy, the responsibilities and roles of the Environmental Management System (EMS) with the Organisational Units/Functions involved are indicated in the Quality, Environmental, Health and Safety Management Systems Manual.

THE ENVIRONMENTAL ORGANISATIONAL STRUCTURE OF THE PIAGGIO GROUP'S ITALIAN SITES

	ENVIRONMENTAL MANAGEMENT SYSTEM
Management Representative	Quality System Manager
Management System Manager	General Plant Manager
Coordination and control	Environmental Manager
Audit	Process Auditor (Internal Auditor)

The Environmental Management System Manager reports to the Processes Quality System & Cost Engineering Management Representative on the performance of the Management System and any needs for improvement. The Head of the Environmental Management System - the General Plant Manager, has a notarised power of attorney to oversee relevant obligations, while the Environmental Managers are selected by the Head of the Environmental Management System and appointed by the latter after obtaining a favourable opinion of the Head of the Department to which the appointee belongs.
The subsidiaries in Vietnam, Indonesia and India (PVPL) have EHS (Environment Health and Safety) teams dedicated full-time to environment, health and safety, with well-defined roles and responsibilities. The EHS team at Piaggio Vietnam is led by the Technology and Maintenance Manager, who reports to the Director of Operations, and a full-time resource oversees the management of environmental issues.

Piaggio Indonesia's EHS team, coordinated by the Human Resources Manager and supported by technical resources from the Operations Department, ensures compliance and awareness of the importance of EHS issues.
PVPL's environmental team, consisting of managers, engineers and operators, is within the Maintenance function and reports to the Director of Operations.

ENVIRONMENTAL POLICY

Piaggio's strategy firmly includes protecting the environment and natural resources, tackling climate change, and fostering sustainable economic growth.
At the start of 2025, the Board of Directors formalised and approved an Environmental Policy[49] that is applicable to all companies within the Group[50]. The Executive in Charge of Financial Reporting bears responsibility for its implementation. The document outlines Piaggio's aim to reduce its environmental footprint and the sustainable growth strategy the Group adopts to constantly enhance environmental performance.

Piaggio's commitment to environmental issues is based on the following fundamental principles:

- safeguard the environment by analysing, assessing, and managing risks to prevent impacts and seize opportunities;
- commit to mitigating the effects of climate change;
- establish goals to guarantee and assess actions that prevent, lessen, or minimise effects on land and water ecosystems, allocate the required resources, and revise goals for the ongoing enhancement of processes and performance;
- improve and promote the environmental sustainability of its products;
- meet regulatory requirements and voluntary pledges by ensuring operational activities comply with the laws and rules of different countries.

Piaggio's Environmental Policy pursues the following Strategic Objectives:
- implement globally recognised Environmental Management Systems across the organisation, guided by the principle of ongoing enhancement and the use of indicators to gauge environmental performance;
- ensure the implementation of ISO 14001 certification and its extension to the entire scope of the Group's activities;
- identify roles and responsibilities of management and employees in the implementation of environmental management processes;
- manage environmental risks, especially in preventing pollution and handling emergencies, by taking suitable and sufficient measures to control and minimise any potential effects on people and the environment;
- minimise environmental impacts by using the best technologies and practices available. In striving to ensure the sustainability of its products, the Piaggio Group considers their entire life cycle, which includes design, the acquisition of raw materials, production, use of the goods by the Customer up to decommissioning, consisting of end-of-life dismantling and disposal and/or recycling of components and raw materials;
- analysing, assessing and reducing the environmental and social impacts from building new facilities and infrastructure, their operation, or major redevelopment, with an emphasis on enhancing site sustainability and material management efficiency;

49 The policy is written in accordance with the Code of Ethics and the following international sustainability regulations and initiatives: The UN Global Compact, the International Labour Organization's "Declaration on Fundamental Principles and Rights at Work", the "Rio Declaration on Environment and Development", and the European Union's new growth strategy, referred to as the "Green Deal"; numerous global agreements aim to safeguard human health and the environment, including the "Stockholm Convention on Persistent Organic Pollutants", the "Minamata Convention on Mercury", and the "Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal".
50 The Environmental Policy is published on the company intranet.

Climate Change

- building plants and infrastructure while protecting the land and biodiversity;
- encourage actions to combat climate change that align with the goals of the 2015 Paris Climate Agreement, which aims to limit global temperature rise to 1.5°C above pre-industrial levels, speed up the shift to zero-emission energy, and boost the resilience of businesses to climate impacts;
- encourage actions to mitigate climate change by cutting both direct and indirect greenhouse gas emissions through the study and implementation of energy-saving measures, while taking advantage of the possibilities that arise from new technological advancements;
- preserve water, air and soil and optimise water management. Efficient management of water resources for industrial purposes, particularly in areas experiencing "water stress", involves reducing water consumption, minimising the withdrawal of freshwater, and enhancing the rate of wastewater recovery;
- preventing and controlling air and soil pollution, minimising their impact on ecosystems and implementing restoration actions where necessary;
- optimising waste management by adopting a waste management plan that prioritises re-use, recycling and other forms of recovery over disposal;
- replace and minimise the use of potentially harmful substances and phasing out the most dangerous ones;
- promoting the circular economy approach and initiatives;
- encourage the use of secondary raw materials for efficient resource management;
- communicating the Group's environmental performance to stakeholders.

In particular, Piaggio is committed to reducing the environmental impact of its industrial activities through careful definition of product design, the technological processing cycle and the use of the best technologies and most modern production methods. The pursuit of these eco-friendly objectives generates a path of continuous improvement in environmental performance that is not limited to the production phase, but embraces the entire product life cycle.

CLIMATE RISK ANALYSIS

Piaggio, in the context of its Enterprise Risk Management and Double Materiality processes, conducted a resilience analysis on the effects of climate change. Piaggio has outlined a range of actions to adapt to and mitigate climate change, enhancing the resilience of its business model and strategy against climate-related impacts. These measures address both substantial physical and transitional risks.

Climate Change

Physical risks

Piaggio carried out an assessment of both chronic and acute physical climate risks for its plants in Pontedera, Baramati, Vinh Phuc, and Jakarta, adopting a current and forward-looking approach. This involved medium to long-term scenario analysis over a 30-year period, projecting to 2050, and took into account historical incidents and patterns in climate variables, where data was accessible. The analysis considered both the immediate and long-term climate risks outlined in Appendix A of Delegated Regulation 2021/2139, as well as the nature and location of the facilities being examined.

	TEMPERATURE-RELATED	WIND-RELATED	WATER-RELATED	SOLID MASS- RELATED
Chronic Physical Risks	– Temperature change – Heat stress – Temperature variability – Permafrost thawing	– Changing wind patterns	– Changing precipitation patterns and types (rain, hail, snow/ice) – Precipitation or hydrological variability – Ocean acidification – Saline intrusion – Sea level rise – Water stress	– Coastal erosion – Soil degradation – Soil erosion – Solifluction
Acute Physical Risks	– Heat wave – Cold wave/frost – Wildfire	– Cyclone, hurricane, typhoon – Storms (including blizzards, dust, and sandstorms) – Tornado	– Drought – Heavy rainfall – Flood – Glacial lake outburst	– Avalanche – Landslide – Subsidence

Concerning the climate-related risks identified, Piaggio conducted an initial evaluation of their significance for the selected assets. In this initial stage, we considered severe weather events that might lead to droughts, fires, heatwaves, landslides, downpours, and floods, among others. These observations laid the groundwork for a further evaluation to confirm the practical relevance of the initially identified climate risks.
In order to determine the impacts of chronic and acute physical risks on the Group's activities, an analysis was developed to assess their effects from a current and prospective perspective, such as

- machinery failures
- compromising the efficiency of operational processes;
- production stoppage;
- increased costs for repair work;
- compromise of staff health and safety.

The current assessment is based on reports of extreme weather and data on climate patterns in the relevant regions so far. The forward-looking assessment spanned up to 2050 and focused on the most severe emission climate scenario (RCP 8.5) to determine the climate impact on key assets and aid in adding further safeguards to those in place. In accordance with the Intergovernmental Panel on Climate Change (IPCC) guidelines, the analysis employed high-resolution regional climate data to properly evaluate the local impacts of climate change for the upcoming period.
Risks were evaluated using the same assessment criteria as those used for Enterprise Risk Management (ERM) and double materiality analysis, considering both the likelihood of occurrence and the severity of the identified impacts.
The activity engaged the senior management of the Group's plants, aiming to identify, share, and formalise key risk responses already in place or to be implemented. This is to protect against and/or lessen the impact of risky weather events, such as:

- investments to consolidate asset resilience;
- back-up equipment to reduce the impacts caused by possible production downtime;
- preparation of plans for securing buildings;
- evacuation plans and first aid stations equipped to handle incidents;
- steps to shift any harm caused by physical weather events to the insurance sector.

The double materiality analysis has consequently determined that the risk of "Disruption of business continuity/damage to the plant due to acute climate events" is material. The Group manages the potential impacts of this risk through ongoing facility upgrades and by securing specific insurance policies tailored to the significance of each site. Based on the mitigation measures both implemented and proposed by the Group, the production sites have demonstrated a high degree of resilience, with no significant problems arising from climatic factors.

Transition risks

The automotive sector is facing a significant transition to a low-carbon economy.
Piaggio, through a dedicated department, monitors developments in the regulatory environment in the various markets in which it operates. Considering this context, Piaggio has recognised climate-related risks and opportunities in line with TCFD (Task Force on Climate-related Financial Disclosures) recommendations, which include regulatory, technological, market, and reputational risks. The company has determined that the primary risks are associated with the intensification of regulations concerning direct and indirect emissions. Such regulations could potentially prohibit or limit the use of certain vehicle types [51]. These restrictions not only have a substantial impact on consumer behaviour but may also necessitate considerable investment and recurrent expenses to technologically adapt and modernise the Group's product portfolio. Regarding opportunities, the key ones involve meeting the technological and market challenges in developing new sustainable mobility products.
Risks were evaluated using the same assessment criteria as those used for Enterprise Risk Management (ERM) and double materiality analysis, considering both the likelihood of occurrence and the severity of the identified impacts. To address the material transition risks identified in this analysis, including regulatory and reputational risks, as well as to capitalise on the significant opportunities associated with expanding market share in the zero-emission vehicle sector, Piaggio has developed and initiated a range of adaptation and mitigation measures. These key initiatives are outlined in its Decarbonisation Plan.
Piaggio has outlined a range of goals focused on cutting Scope 1 and 2 emissions, primarily through initiatives that enhance process efficiency and the adoption of renewable energy, both purchased and produced in-house.
Regarding indirect emissions, Piaggio is dedicated to manufacturing vehicles that aid in the decarbonisation of transport, aiming for the EU's Net Zero target by 2050. This is achieved by constantly enhancing the efficiency of two-wheeler combustion engines (via new technologies, design, and the use of e-fuels) and by increasing the models of electric vehicles in the market.
Should the Group fail to achieve the targets stated in the above-mentioned Plan, it could incur a reputational risk. This risk is mitigated by monitoring and reporting on the progress of the actions described in the Plan.

51 For more details, please refer to the "Regulatory Context" section of the Report on Operations. It is important to note that these analyses take into account the present and anticipated regulatory landscape, but they explicitly exclude the evaluation of a climate scenario that aligns with the limitation of global warming to 1.5°C.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Climate Change

Decarbonisation Plan

At the end of December 2023, Piaggio defined, in agreement with the European Investment Bank (EIB), a Decarbonisation Plan to reduce its emission footprint to 2030. The Plan, created using the PATH framework from the European Investment Bank (EIB) and a scientific method aligned with the Paris Agreement goals, received Board approval on 15 December 2023. The Decarbonisation Plan does not meet the criteria for a climate change mitigation transition plan as defined by ESRS E1[52] .

By 2030, the Group commits to a 42% reduction in emissions associated with production activities (Scope 1 and Scope 2 market-based). Emission reduction targets are calculated with respect to 2022[53].
This ambitious goal will be achieved through numerous initiatives, including:
- the restructuring of the Mandello del Lario production site according to sustainability criteria;
- the installation of photovoltaic systems at the Pontedera and Mandello del Lario plants;
- the installation of a new painting system in Vietnam that will also allow for diesel to be replaced with LPG;
- the purchase of green energy for plants in Italy, India, Vietnam and Indonesia;
- the replacement of company cars with more energy-efficient models.

Furthermore, the range of electric vehicles will be expanded, with a target of 18% of the total two-wheelers sold by 2030. For commercial vehicles, the Group is aiming for 30% of electric vehicles sold in both India and Europe by the same period[54] .

Piaggio has already presented new products on the market that are representative of this commitment, such as the electric powered Vespa Primavera and Vespa Sprint, and the electric Porter NP6.
The Piaggio Group also aims to further reduce emissions generated by the use of its vehicles by customers through improvements to engines, changes in product design and the use of new-generation fuels called e-fuel and biofuels, for the use of which the engines currently fitted on Piaggio vehicles are already prepared.

The technical feasibility of using recycled materials in vehicle manufacture will also be investigated.

Although the structure of the Group's production sites is designed on the basis of power sources that use energy from fossil fuels, Piaggio nevertheless tends to optimise the management of existing plants in order to reduce consumption. The Group's policy is to optimise plant management and minimise energy waste. In more complex activities, in particular, having an extensive monitoring network for the main energy vectors is a decisive factor in achieving noticeable results; this is the case at the Pontedera plant, where a decisive step was already taken in 2016 to research and reduce energy waste thanks to the implementation of the Smart Metering system, which makes the consumption measured by more than 90 meters in the area usable, observable, comparable in almost real time (with a 3-hour delay) and analysable.

52 Piaggio is included in the EU Climate Transition Benchmarks and the EU Paris-aligned Benchmarks.
53 In 2022, total Scope 1 + Scope 2 market-based emissions were 64,657 tCO_2eq.
54 For the 2024 revenues share of electric vehicles, please refer to the Report on Operations, section "Results by Product Type".

Climate Change

WHERE WE ARE TODAY

To cut reliance on outside sources, and to lower both costs and GHG emissions, Piaggio has recently invested in installing solar panels to partly satisfy its energy requirements. Piaggio currently generates its own electricity using solar panels at its manufacturing facilities in India and Vietnam.

The following initiatives were implemented during 2024:
- The Group has invested around €28 million in electric mobility in 2024[55]; in this regard, the electric version of the Porter NP6 was presented on 5 November 2024 and is scheduled to be marketed during 2025. Part of this investment is part of the Development Contract 2022-2025 proposed by the Piaggio Group and approved on 15 April 2024 by the Ministry of Enterprise and Made in Italy, which envisages a total investment plan of around €112 million to expand production at the plant in Pontedera, in the province of Pisa. The industrial development programme, called "E-Mobility", includes the introduction and development of a new line of electric motors dedicated to next-generation zero-emission vehicles and five industrial research and experimental development projects, aimed at the development of components and systems for electric-powered vehicles, as well as the development of solutions in the digital area, covering safety and vehicle status monitoring, advanced driver assistance systems and complete cybersecurity systems (partly related to the "transition to electric vehicles" macro lever);
- all two-wheelers in the European range have adopted EURO5+ engines, well ahead of legal requirements;
- work began on the renovation of the Moto Guzzi factory in Mandello del Lario using the most modern and sustainable construction techniques (expected cost of €37[56] million – "process efficiency" macro lever);
- in 2024, the Indian facility increased its self-generated electricity capacity through the expansion of its solar power plant (+329 MWh per year "green energy" macro lever).

55 The values constitute a portion of the Tangible and Intangible Assets listed under the Assets in the Balance Sheet and are also included in the aggregate eligible for Capex 2024 in relation to the Taxonomy.
56 The values are part of the Property, plant and equipment recorded in the Balance Sheet Assets.

PLANNED ACTIONS

The Group has planned measures to ensure the achievement of the targets set out in the Decarbonisation Plan presented at the end of 2023.
The Group is exploring the development of new solar power facilities to supply some of the energy requirements for its Pontedera sites (set to begin operation in the latter half of 2025, producing 2,850 MWh annually) and Mandello del Lario. It also plans to enlarge the current Baramati plant by roughly 1,500 MWh between 2026 and 2027.
By mid-2025, we will finish upgrading the new Mandello del Lario production plant, aiming to boost its output to 40,000 motorbikes annually. Meanwhile, work on another section of the Moto Guzzi factory will carry on until 2026. This area will include amenities for fans of the brand, a museum, a restaurant, and the company's offices. It will be a special factory, a blend of modernity and history oriented towards environmental sustainability. The new buildings will be built to match the original volume, with a thoughtful selection of materials and efficient energy management using solar panels and sustainable materials.
By 2027, the new paint shop in the Vietnamese factory is scheduled to be built, estimated to cost around €26 million.

	MACRO-LEVERS	TARGET OBJECTIVE (BASE YEAR 2022)	PLANNED ACTIONS	TIMING	EMISSION REDUCTION TARGET (tCO_2eq)
Objectives Scope 1 & 2	**Process efficiency**	-10% to 2030	New painting plant in Vietnam	By 2027	-1,386
			Hybrid company cars	By 2027	-43
	Green energy (purchased/ self-produced)	-32% to 2030	Photovoltaic system installation in Pontedera	By 2025	-1,120
			Renovation of Mandello del Lario and installation of photovoltaic system	By 2025	-1,071
			100% renewable energy in Italy, 30% in India, Vietnam, Indonesia	By 2026 in Italy, by 2030 for foreign plants	-18,510

The actions listed above are part of the Business Plan approved by the Board of Directors on 26 February 2025.
The Group will offer updates on the progress of the initiatives outlined in the Plan and their impacts in the forthcoming Sustainability Report, as the initial actions are set to commence from 2025 onwards.

Energy consumption

The Piaggio Group comprises manufacturing firms, sales entities, and research facilities.
The energy use of production centres is measured and invoiced promptly. Regarding trading companies and research centres, their consumption was collected for the first time in the financial year, and for comparison, the previous year's consumption was also recorded.

Climate Change

PIAGGIO GROUP ENERGY CONSUMPTION[57]

MWH		PONTEDERA	NOALE AND SCORZE'	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	JAKARTA	TOTAL FACTORIES	TOTAL COMMERCIAL	TOTAL
Electricity	2024	25,865	3,806	851	16,773	13,678	378	61,351	710	**62,061**
	2023	28,143	3,857	587	16,405	15,287	347	64,626	712	**65,338**
Petrol	2024	1,150	1,190	284	1,427	1,156	27	5,234	1,210	**6,444**
	2023	1,094	1,083	362	1,151	1,119	26	4,835	976	**5,811**
Methane/ Natural Gas	2024	31,433	2,525	1,360				35,318	89	**35,407**
	2023	36,970	2,758	1,702				41,430	86	**41,515**
GPL	2024	5			12,619	337		12,961		**12,961**
	2023	19			13,112	246		13,377		**13,377**
Diesel	2024	1,366	310	104	1,194	5,361		8,335	451	**8,786**
	2023	1,282	321	111	1,307	5,683		8,704	455	**9,159**
CNG	2024				2,448			2,448		**2,448**
	2023				85			85		**85**
Total consumption	**2024**	**59,819**	**7,830**	**2,600**	**34,460**	**20,533**	**406**	**125,647**	**2,459**	**128,106**
	2023	**67,509**	**8,019**	**2,762**	**32,060**	**22,335**	**372**	**133,057**	**2,228**	**135,285**
	Change	**-11.4%**	**-2.4%**	**-5.9%**	**7.5%**	**-8.1%**	**8.9%**	**-5.6%**	**10.4%**	**-5.3%**

MWH	2024		2023		CHANGE	
	TOTAL FACTORIES	TOTAL COMMERCIAL	TOTAL FACTORIES	TOTAL COMMERCIAL	TOTAL FACTORIES	TOTAL COMMERCIAL
Non-renewable electricity	59,543	683	63,150	685	(3,607)	(2)
Petrol	5,234	1,210	4,835	976	399	234
Methane/Natural Gas	35,318	89	41,430	86	(6,112)	3
GPL	12,961	0	13,377	0	(416)	0
Diesel	8,335	451	8,704	455	(369)	(4)
CNG	2,448	0	85	0	2,363	0
Total energy consumption from fossil sources	**123,839**	**2,432**	**131,581**	**2,201**	**(7,742)**	**231**
Share of fossil sources in total energy consumption	**98.6%**	**98.9%**	**98.9%**	**98.8%**		
Self-generated renewable electricity	1,808	14	1,476	0	332	14
Purchased renewable electricity		13		27	0	(14)
Total energy consumption from renewable sources	**1,808**	**27**	**1,476**	**27**	**332**	**0**
Share of renewable sources in total energy consumption	**1.4%**	**1.1%**	**1.1%**	**1.2%**		
Total energy consumption	**125,647**	**2,459**	**133,057**	**2,228**	**(7,410)**	**231**

In 2024, the Group's total consumption was 128,106 MWH, of which 1,835 MWH from renewable sources, compared to 135,285 MWH the previous year.
The reduction in overall consumption (-5.3%) was facilitated by the reduction in vehicles produced and benefited from the implementation of the actions described above.

57 The values for fuel used by company cars are an estimate based on employees' expense reports and the average annual reference price of the same. It is specified that the Group did not purchase energy from renewable sources certified through guarantees of origin.

CONSUMPTION INTENSITY

The reduction in business volumes did not allow for the economies of scale achieved in 2023.

	CONSUMPTION	NET REVENUES	CONSUMPTION/NET REVENUES
	MWH	MILLION EUROS	MWH/MILLION EUROS
2024	128,106	1,701	75
2023	135,285	1,985	68
delta	(7,179)	(284)	7
delta %	-5.3%	-14.3%	10.5%

GHG emissions

Among the most dangerous substances for air pollution generated by automotive operators are greenhouse gas emissions (mainly CO_2).

As discussed in the section on the Decarbonisation Plan, the Group is committed to reducing Scope 1 and Scope 2 market-based emissions. The targets were set using the SBTi's Net Zero criteria (Science Based Targets initiative) to keep the global temperature rise under 1.5°C. Piaggio has no current plans to offset its GHG emissions.

Considering the entire value chain, GHG emissions can be of three types:

SCOPE 1

Climate-altering emissions generated directly by Piaggio: are from directly operated plants, assets and vehicles. Emissions from the combustion of fossil fuels, leakage of refrigerant gases in air conditioning systems and the use of fossil fuels in the company fleet fall into this category.

SCOPE 2

Piaggio's indirect greenhouse gas emissions from purchased electricity generation.

SCOPE 3

Emissions not included in the previous categories, but related to Piaggio's value chain. This includes, but is not limited to, emissions resulting from the distribution and handling between plants and to customers of vehicles, accessories and spare parts, those generated by suppliers for the production of components and the provision of services required by the Group, and those caused by personnel travelling between home and work or on business trips.

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The direct GHG emissions from the combustion of methane, natural gas, diesel and LPG used by the Group are shown below.

DIRECT GHG EMISSIONS[58]

TONS	PONTEDERA	NOALE AND SCORZE'	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	INDONESIA	TOTAL FACTORIES	TOTAL COMMERCIAL	TOTAL
2024	7,289	916	383	4,207	2,127	6	14,929	418	15,347
2023	8,475	932	471	3,746	2,740	6	16,369	365	16,734
Delta 2024-2023	-14.0%	-1.7%	-18.6%	12.3%	-22.3%	5.5%	-8.8%	14.5%	-8.3%

TONS	2024		2023		DELTA	
	TOTAL FACTORIES	TOTAL COMMERCIAL	TOTAL FACTORIES	TOTAL COMMERCIAL	TOTAL FACTORIES	TOTAL COMMERCIAL
Factories and offices	11,691	92	13,087	86	(1,397)	6
Company cars and test vehicles	2,564	326	2,150	279	413	47
F-GAS	675	0	1,132	0	(457)	0
Total	14,929	418	16,369	365	(1,440)	53

With reference to GHG emissions, the Pontedera industrial plant falls within the scope of the "Emission Trading" Directive (Directive 2003/87/EC), an instrument implementing the Kyoto Protocol. The site belongs to "Group A", relating to plants or establishments emitting the lowest level of GHG identified by the Directive.
The direct GHG emissions are almost entirely attributable to the combustion of methane and marginally to the combustion of diesel fuel in the emergency generators.
The monitoring and reporting of GHG emissions related to the Pontedera plant are regulated by a specific Group procedure which is periodically subject to an internal audit, and are also certified by an audit body accredited by the National Competent Authority (NCA) in March of each year.
Overall, the Group's direct emissions in 2024 came to 15,347 tonnes (16,734 tonnes in 2023).
As previously mentioned, the reduction in CO_2 emissions in 2024 was facilitated by a decrease in production volumes and the implementation of various improvements across the Group's plants.
Piaggio is planning to install photovoltaic systems in some of its factories in order to reduce its direct GHG emissions.
The initial phase of this design involves setting up a photovoltaic facility at the Pontedera site by 2025, which will produce 2,850 MWh annually.

SCOPE 2 INDIRECT EMISSIONS[59] OF GHGs

Location based

TONS	PONTEDERA	NOALE AND SCORZE'	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	INDONESIA	TOTAL FACTORIES	TOTAL COMMERCIAL	TOTAL
2024	7,948	1,169	262	10,881	9,253	337	29,850	203	30,053
2023	7,540	1,033	157	10,691	12,290	277	31,989	224	32,213
Delta 2024-2023	5.4%	13.2%	66.3%	1.8%	-24.7%	21.4%	-6.7%	-9.4%	-6.7%

TONS	2024		2023		DELTA	
	TOTAL FACTORIES	TOTAL COMMERCIAL	TOTAL FACTORIES	TOTAL COMMERCIAL	TOTAL FACTORIES	TOTAL COMMERCIAL
Location Based	29,850	203	31,989	224	(2,139)	(21)
Market Based	35,749	239	38,151	248	(2,402)	(9)

58 For the calculation of Scope 1 emissions, the following were considered: for Italian factories, the emission factors published by ISPRA in the National Standard Parameters document; ii) for foreign factories, the emissions factors of the Department for Environmental Food & Rural Affairs (DEFRA).

59 Please note that Scope 2 emissions are expressed in tonnes of GHG; however, the proportion of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO_2eq), as may be inferred from the relevant technical literature.

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Under the location-based method, for the production sites the average emission factors for domestic power generation for the different countries of operation published by national government bodies were used. In particular: for Italian plants, reference was made to the ISPRA publication "Emission Factors for Electricity Production and Consumption in Italy"; the emission data for Indian plants were determined by applying the coefficients from "The Central Electricity Authority CO_2 Baseline Database for the Indian power sector"; plant data for Vietnam were calculated using coefficients established by the "Department of Meteorology, Hydrology and Climate Change - Ministry of Natural Resources and Environment Vietnam"; the Indonesian plant data were calculated using coefficients set by the Ministry of Energy and Mineral Resources Indonesia. For trading companies, we used the factors listed in the Residual Total Supplier Mix Results, except for those in the USA (US EPA), Singapore and China (IGES), and Japan (Terna). For the market-based approach, we used the factor from the "Residual Mix Results" document by the Association of Issuing Bodies (AIB) for Italian plants and commercial sites. This excludes sites in the USA (US EPA), Singapore, China (IGES), and Japan (Terna). For the other production sites, we applied the same criteria as the location-based method because market-based emission factors were unobtainable.

SCOPE 3 INDIRECT EMISSIONS OF GHGs

The Greenhouse Gas Protocol splits Scope 3 emissions into upstream and downstream categories, organising them into 15 groups. Not all categories are applicable or significant for Piaggio.
Throughout 2024, Piaggio, aiming for ongoing enhancement and compliance with regulatory standards, for the first time estimated calculations for certain previously unmonitored categories.

tCO_2eq		2024
Cat. 1	Purchase of goods and services	547,538
Cat. 2	Capital goods	40,664
Cat. 3	Fuel and energy-related activities	4,918
Cat. 4	Upstream transportation and distribution	11,147
Cat. 5	Waste generated in operations	42,338
Cat. 6	Business travelling	5,731
Cat. 7	Employee commuting	8,309
Cat. 9	Downstream transportation	10,432
Cat. 11	Use of sold products	4,041,587
Total		**4,712,664**

It is important to acknowledge that for categories 5, 6, and 7 of Scope 3 greenhouse gas (GHG) emissions, we have had to rely on estimates and assumptions that carry a moderate level of uncertainty. This uncertainty primarily stems from the emission factors applied in quantifying Category 5 emissions, and from the activity data utilised for Categories 6 and 7. For the other categories, the resulting degree of uncertainty is low.

Scope 3 category 1

For the category "goods and services purchased", the associated emissions were calculated by taking into account the expenses reported in the Piaggio Group's Consolidated Financial Statements (please refer to the tables under Note 5, "Costs for materials," and Note 6, "Costs for services and use of third-party assets," in the Notes to the Consolidated Financial Statements) and applying the EU EEIO Eurostat emission factors.

Scope 3 category 2

For the "capital goods" category, we estimated emissions based on the capital costs in Piaggio Group's consolidated financial statements, leaving out internal capitalised labour costs (since they're counted in Scope 1 and Scope 2 emissions). We used emission factors from the EU EEIO Eurostat.

Scope 3 category 3

For the category "fuel and energy-related activities", the calculation is limited to network losses related to electricity and natural gas. The factors applied are "WTT-UK electricity (generation)" for electricity, and "WTT natural gas - heat & steam (generation)" and "WTT district heat & steam (distribution)" for natural gas.

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Scope 3 category 4
For the "Upstream transportation and distribution" category, emissions were calculated by taking into account the weight and distance covered by goods transported (transportation costs paid by the Group) to and from the Group's facilities. DEFRA's 2024 emission factors were then applied to these figures, based on the mode of transportation utilised.

Scope 3 category 5
Emissions associated with the waste management category were calculated by applying DEFRA's 2024 coefficients to the various types of waste and their respective disposal methods.

Scope 3 category 6
For the "business travelling" category, we estimated the associated emissions by multiplying the costs of travel and accommodation by the US EEIO coefficients.

Scope 3 category 7
For the "employee commuting" category, emissions were calculated using data on company-provided transport shuttles and the average distance employees travel between home and work, assessed with DEFRA 2024 coefficients.

Scope 3 category 8
The Group has some leased plants whose GHG emissions are already calculated within Scope 1 and 2, in line with the principle of the financial control approach. Therefore, to avoid double counting, this category is not applicable.

Scope 3 category 9
For the "Downstream transportation" category, emissions were calculated by considering the weight and distance of outbound freight. DEFRA's 2024 emission factors were then applied, corresponding to the mode of transport utilised.

Scope 3 category 10
The "processing of sold products" category does not apply to the Piaggio Group.

Scope 3 category 11
For the "use of sold products" category, emissions were calculated by taking into account the emissions from the Well-to-Tank (WTT) phase of the fuel utilised by the vehicles, their operational lifespan, and by applying the DEFRA 2024 emission factors alongside the parameters set out in the International Energy Agency's Mobility Model (MoMo) 2025 scenario.

Scope 3 category 12
The category "end-of-life treatment of products sold" has been deemed insignificant following a significance analysis that encompasses criteria such as relevance, consistency, completeness, accuracy, and data transparency. In addition, the current type-approval standards do not require analyses on recyclability and recoverability at the end of life for 2- and 3-wheel vehicles.

Scope 3 category 13
The "Leased Asset Concessions" category does not apply to the Piaggio Group.

Scope 3 category 14
The category "franchising" is not applicable to the Piaggio Group.

Scope 3 category 15
The category "investments" is not applicable to the Piaggio Group.

Climate Change

TOTAL GHG EMISSIONS

tCO_2eq	BASE YEAR 2022	2023	2024	DELTA %	2030	TARGET % / BASE YEAR
Gross Scope 1 GHG emissions (tCO_2eq)	**19,035**	**16,734**	**15,347**	**-8.3%**	**19,087**	**0.27%**
Percentage of Scope 1 GHG from regulated emissions trading schemes (%)		45.0%	42.4%			
Scope 2 GHG emissions						
Gross location-based Scope 2 GHG emissions (tCO_2eq)		32,213	30,053	-6.7%		
Gross market-based Scope 2 GHG emissions (tCO_2eq)	45,574	38,399	35,988	-6.3%	17,493	-61.62%
Significant Scope 3 GHG emissions						
1 Purchased goods and service		533,218	547,538	2.7%		
2 Capital goods			40,664			
3 Fuel and energy-related activities			4,918			
4 Upstream transportation and distribution			11,147			
5 Waste generated in operations			42,338			
6 Business travelling			5,731			
7 Employee commuting			8,309			
9 Downstream transportation			10,432			
11 Use of sold products	5,152,081	4,555,597	4,041,587	-11.3%	4,440,065	-13.82%
Total GHG emissions						
Total GHG emissions (location based) (tCO_2eq)			4,758,065			
Total GHG emissions (market based) (tCO_2eq)			4,763,999			

GHG EMISSION INTENSITY

Emission Intensity (Scope 1 + Scope 2 Location-Based + Scope 3)

	SCOPE 1 + SCOPE 2 LOCATION BASED + SCOPE 3 EMISSIONS	NET REVENUES	EMISSIONS/NET REVENUES
	tCO_2eq	MILLION EUROS	tCO_2eq/MILLION EUROS
2024	4,758,065	1,701	2,797

Emissive intensity (Scope 1 + Scope 2 market-based + Scope 3)

	SCOPE 1 + SCOPE 2 MARKET BASED + SCOPE 3 EMISSIONS	NET REVENUES	EMISSIONS/NET REVENUES
	tCO_2eq	MILLION EUROS	tCO_2eq/MILLION EUROS
2024	4,763,999	1,701	2,800

GHG REMOVALS AND GHG MITIGATION PROJECTS

During the reporting period, Piaggio did not develop or support any projects to reduce or capture greenhouse gases, either directly or within its value chain, nor did it buy or intend to buy carbon credits.

INTERNAL CARBON PRICING

During the reporting period, no internal carbon pricing schemes were used or implemented.

POLLUTION

Pollution

Existing policies

The Group's environmental policy seeks to control environmental risks, prioritising pollution prevention. To achieve this, we promote effective measures to oversee and lessen any possible effects on people and the ecosystem. For further information on the Piaggio Group's "Environmental Management System", please refer to the Climate Change section.

Actions and resources related to pollution

Piaggio has developed suitable plans to monitor its emissions, aiming to limit those produced by its manufacturing processes to the technological minimum and strictly respecting the legal parameters of the countries where it operates.
Among the air pollutants produced by automotive companies are sulphur oxides (SOx), which are emitted during machining processes, and Volatile Organic Compounds (VOCs), which are released by the solvents used in painting activities. The emission levels of these pollutants are regulated by local laws and are regularly monitored and analysed by the Group.
Piaggio also regularly undertakes work on its production facilities to consistently cut emissions; the development of the new paint facility in Vietnam, as per the timings and investments described in the paragraph on the Decarbonisation Plan, will further decrease volatile organic compound (VOC) emissions.
Regarding the supply chain, it is important to note that to reduce the potential impact arising from associated production activities and the consequent risk to reputation, Piaggio mandates adherence to current local environmental regulations through the signing of the Code of Ethics.

Pollution-related targets

To date, the Group has not defined any specific objectives with delineated time horizons with reference to these issues.

Significant emissions

OTHER SIGNIFICANT EMISSIONS FROM PIAGGIO GROUP PRODUCTION SITES

		PONTEDERA	BARAMATI	VINH PHUC	JAKARTA	TOTAL
VOCs (Ton.)[60]	2024	21.1	321.7	1.8		344.7
	2023	19.2	342.9	0.3		362.5
	Delta 2024-2023	9.9%	-6.2%	490.0%		-4.9%

		PONTEDERA	BARAMATI	VINH PHUC	JAKARTA	TOTAL
SOX (Ton.)[61]	2024			0.268		0.268
	2023			0.305		0.305
	Delta 2024-2023			-12.1%		-12.1%

In 2024, as in previous years, Piaggio plants were not affected by spills or polluting events of particular significance.

60 For Italian and Vietnamese factories, the data reported were processed considering the VOC emission in terms of hourly mass flow, based on periodic monitoring, and the number of operating hours of the plants in the reporting year.
The indicator considers VOCs (Volatile Organic Compounds) released by solvents used in painting activities.
For the Indian facilities, the figure was derived by estimating the volatility of the paint based on its chemical properties, and that of the thinner, which was assumed to be completely volatile.
61 SOx emissions were calculated by multiplying the diesel consumption by the emission factor provided by the supplier.

Pollution

Recently, the automotive industry has faced increasing debate over microplastics, which are plastic pieces smaller than 5 millimetres. These come in various shapes, such as threads, beads, flakes, foam (tiny soft beads, typically polystyrene) and pellets[62] . Recent studies, including those by EMPA and wst21[63] scientists, have revealed that tyre wear from motor vehicles is a major source of microplastics released into the environment. The study shows that tyre wear is affected by factors like tyre traits, driving habits, vehicle mass, and road conditions.
It is estimated that each person contributes to the release of about 1.4 kilograms of microplastics from tyre wear annually. However, most current measurements rely on studies from the 1970s. Given technological progress, it's essential to update this data.

This study also reports that the generation of microplastics depends on tyre size and vehicle size, as well as the driving behaviour: a lighter vehicle, proper tyre pressure, and well-aligned axles are factors that minimise tyre wear. Yet, to date, these considerations lack scientific confirmation.

Thus, it is essential to devise a standard method to measure tyre wear, enabling comparison of various studies' results and the setting of threshold values. Talks are underway at the UNECE ("United Nations Economic Commission for Europe"), with expectations that, within the next five years, Europe will adopt test methods and set limits to more effectively tackle tyre wear.
Regarding Piaggio, it is currently hard to gauge the precise effect of its vehicles on microplastic production. The company is dedicated to keeping track of regulatory changes and ongoing research into this matter.

62 "CHEMICALS - ENVIRONMENT & HEALTH - REACH and other chemicals legislation newsletter: Microplastics", Ministry of Ecological Transition, December 2021.
63 "Tyre Wear as a Key Source of Microplastics - Steps to Minimise It", Empa, September 2022.

Water and marine resources

WATER AND MARINE RESOURCES

Existing policies

The plants in Pontedera, Baramati and Jakarta, as well as sales companies in Spain, Greece, the UK and Pasadena (USA), are located in areas of high-water stress (Source: Aqueduct Water Risk Atlas). Thus, cutting water use is a key goal Piaggio has consistently strived for in all its facilities. As stated in the Piaggio Environmental Policy, Piaggio aims at the preservation and efficient use of water. For further information on the Piaggio Group's "Environmental Policy", please refer to the paragraph "Environmental Management System" in the Climate Change section; the Policy addresses, among other issues, the efficient management of water resources, excluding matters concerning the prevention and reduction of water pollution.

Water consumption is one of the main aspects on which Piaggio acts and has acted to put into practice what is stated in its Code of Ethics, i.e. to seek a "reduction in the consumption of energy and natural resources".

Actions related to efficient water use

Among the measures the Group has identified to manage water resources correctly and efficiently, as well as to mitigate the associated reputational risk that could stem from their mismanagement, are:
- maintaining a certified management system (ISO 14001) in all its production facilities;
- the re-use of part of the water withdrawn for production and/or irrigation in the India and Vietnam plants;
- upgrades to facility equipment (such as inverters on well pumps) and the substitution of underperforming systems with state-of-the-art technologies (such as the new 2W paint system and new cataphoresis processes) are also intended to decrease the extraction of well water at the Pontedera site.

Regarding the supply chain, it is important to note that to reduce the potential impact arising from associated production activities and the consequent risk to reputation, Piaggio mandates adherence to current local environmental regulations through the signing of the Code of Ethics.

Objectives related to water use

To date, the Group has not defined any specific objectives with delineated time horizons with reference to these issues.

Withdrawals, Discharges and Consumption

WATER WITHDRAWAL

m3	BY SOURCE	PONTEDERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	INDIA	VIETNAM	INDONESIA	TOTAL[64] COMMERCIAL COMPANIES	TOTAL	OF WHICH WATER-STRESSED AREAS
2024	Surface water							0	0	0
	Groundwater	70,545	7,084					0	77,629	70,545
	Third-party water resources	40,828	14,798	2,073	230,970	113,625	1,454	882	404,630	273,733
	Total	**111,373**	**21,882**	**2,073**	**230,970**	**113,625**	**1,454**	**882**	**482,259**	**344,278**
2023	Surface water							0	0	0
	Groundwater	125,413	5,149					0	130,562	125,413
	Third-party water resources	52,643	14,332	842	251,000	111,814	1,499	847	432,977	304,094
	Total	**178,056**	**19,481**	**842**	**251,000**	**111,814**	**1,499**	**847**	**563,539**	**429,507**
Change	Surface water							0	0	0
	Groundwater	(54,868)	1,935					0	(52,933)	(54,868)
	Third-party water resources	(11,815)	466	1,231	(20,030)	1,811	(45)	35	(28,347)	(31,815)
	Total	**(66,683)**	**2,401**	**1,231**	**(20,030)**	**1,811**	**(45)**	**35**	**(81,280)**	**(86,683)**
	Change %	**-37.5%**	**12.3%**	**146.2%**	**-8.0%**	**1.6%**	**-3%**	**4%**	**-14.4%**	**-20.2%**

64 Estimate obtained on the basis of occupied areas.

Water and marine resources

In 2024, the decrease in water withdrawals is mainly a consequence of the decrease in activity volumes. The increase recorded in Mandello del Lario is related to the renovation work in progress.
Well water usage at the Pontedera plant has been more than halved in a decade. This reduction was made possible by plant engineering measures (e.g. inverters on well pumps) and more recently with the replacement of less performing systems with latest generation technologies (e.g. new 2W paint and new cataphoresis).

WATER DISCHARGES[65]

m3	BY DESTINATION	PONTEDERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	INDIA	VIETNAM	INDONESIA	TOTAL COMMERCIAL COMPANIES	TOTAL	OF WHICH WATER-STRESSED AREAS
2024	Surface water							0	0	0
	Groundwater		7,084					0	7,084	0
	Third-party water resources	111,373	14,798	2,073		90,900	1,236	826	221,206	113,090
	Total	**111,373**	**21,882**	**2,073**	**0**	**90,900**	**1,236**	**826**	**228,290**	**113,090**
2023	Surface water							0	0	0
	Groundwater							0	0	0
	Third-party water resources	178,056	19,481	842		89,451	1,297	792	289,919	178,507
	Total	**178,056**	**19,481**	**842**	**0**	**89,451**	**1,297**	**792**	**289,919**	**178,507**
Change	Surface water							0	0	0
	Groundwater		7,084					0	7,084	0
	Third-party water resources	(66,683)	(4,683)	1,231		1,449	(61)	34	(68,713)	(66,653)
	Total	**(66,683)**	**2,401**	**1,231**	**0**	**1,449**	**(61)**	**34**	**(61,629)**	**(66,653)**
	Change %	**-37.5%**	**12.3%**	**146.2%**	**N.A.**	**1.6%**	**-4.7%**	**4%**	**-21.3%**	**-37.3%**

As regards waste water, respect for the environment is based on attention paid to the treatment and purification processes of discharged water. The minimum standards for the quality of discharged water correspond to those imposed by the reference standards of the countries where Piaggio operates and by the specific environmental authorisations of each plant. It should be noted that no cases of non-compliance occurred during the year.
The destination of waste water, broken down by production site, is summarised below:

- **Pontedera:** the plant's drainage system is divided into two separate networks:
  - one that collects "industrial" waste water, originating from the painting plants, the water preparation plant and the temporary waste storage areas that could result in the discharge of potentially polluted stormwater runoff;
  - the other collects "civil" type waste water (toilets, canteens and unpolluted rainwater).

The two networks are separate and both discharge into a purification site outside the plant, where the wastewater undergoes chemical and physical treatment, after which it is discharged into an open bed. A small part, originating from the toilets in two areas of the plant, flows directly into the public sewage system, which connects directly to the biological plant of the integrated water service. From the tables above, it is assumed that all the water withdrawn is discharged into the sewage system, a part into the industrial network (about 100,000 m3) and the remainder into the civil network;

- **Noale:** the buildings are all connected to the public sewage system; waste water is only from civil use (coming from the plant's toilets and canteen);
- **Scorzè:** the plant is not served by a public sewage system, so waste water, after a biological purification process within the site, flows into the local Rio Desolino;
- **Mandello Del Lario:** the plant discharges part of its waste water directly into the public sewage system (civil waste, from canteens, etc.), while the water used in the cooling plants discharges into surface water (the Valletta stream);

65 The water discharges of the Vietnamese factory are estimated as 80% of the water withdrawals. For Italian sites, the water discharges are estimated as 100% of the water withdrawals.

Water and marine resources

- **Baramati:** waste water is treated and reused for internal use and irrigation. In 2024, the recovery of waste water amounted to 147,960 m^3 or 64.1% of the water withdrawn;
- **Vinh Phuc:** the plant is equipped with a chemical-physical purification plant for waste water from the painting pre-treatment before discharge into the public sewage system, where all other waste water (civil) from the plant is also conveyed. Final discharge is into the public sewage system. Part of the withdrawn water is reused. In 2024, the recovery of waste water amounted to 14,287 m^3 or 12.6% of the water withdrawn;
- **Jakarta:** the factory is connected to the public sewage system; waste water is only civil (from the toilets and canteen);
- **Commercial companies:** the buildings are all connected to the public sewage system; waste water is only civil (from the toilets).

WATER CONSUMPTION[66]

The factories in Baramati and Vinh Phuc, also with a view to reducing supplies of the resource, reuse part of the water they withdraw.

m3	PONTEDERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	INDIA	VIETNAM	INDONESIA	COMMERCIAL COMPANIES	TOTAL	OF WHICH WATER-STRESSED AREAS
2024				230,970	22,725	218	56	253,969	231,188
2023				251,000	22,363	202	55	273,620	251,000
Change				(20,030)	362	16	1	(19,651)	(19,812)
Change %				-8.0%	1.6%	8.0%	1.8%	-7.2%	-7.9%

For Italian factories, consumption is estimated to be zero as water withdrawn after its use is returned to the environment.
The Group's Asian factories have water tanks. The following table shows the inventories and the change between the 2 financial years.

m3	INDIA	VIETNAM	INDONESIA	TOTAL
2024	3,311	900	149	4,360
2023	3,281	900	149	4,330
Change	30	-	-	30
Change %	0.9%	0.0%	0.0%	0.7%

Water consumption intensity

The Group tracks its success in using water efficiently.
The table below shows the results achieved:

	CONSUMPTION	NET REVENUES	CONSUMPTION/ NET REVENUES
	m3	MILLION EUROS	m3/ MILLION EUROS
2024	253,969	1,701	149.31
2023	273,620	1,985	137.84
delta	-19,651	-284	11.46
delta %	-7.2%	-14.3%	8.3%

The reduction in business volumes did not allow for the economies of scale achieved in 2023.
Looking ahead, the Group aims to sustain and, if possible, enhance the outcomes reached in 2024.

66 Water consumption is calculated as the difference between withdrawals and discharges.

CIRCULAR ECONOMY

Policies for the sustainable use of resources

To support the United Nations' global goals (SDGs), Piaggio formalised an "Environmental Policy" in 2025, outlining the Group's strategies for sustainable development; the Group strives to foster circular economy initiatives, where operationally and economically feasible and compatible, by advocating for the use of secondary raw materials to manage resources efficiently. For more details on the Piaggio Group's Environmental Policy, please see the "Environmental Management System" in the section on Climate Change. In keeping with this commitment, a "Responsible Supply Policy" was established, applying to all Piaggio Group companies. This policy aims to prioritise suppliers with a certified Environmental Management System wherever feasible. For more details on Piaggio Group's "Responsible Sourcing Policy", see the "Workers in the Value Chain" section.

Actions and targets

In its operations, the Group relies on components from non-renewable resources that currently cannot be substituted.
However, it is important to highlight that the Group's premier product is the Vespa, which features a body constructed from aluminium. This material is not only recyclable but is also partly sourced as secondary aluminium, aligning with the commitments outlined in the aforementioned Environmental Policy.
For information on existing mitigation measures concerning the reduced recyclability and recoverability of end-of-life vehicles, please consult the sections titled "Product Range" and "Disposal of End-of-Life Vehicles".
See also the section "Focus: Research, Development and Innovation guidelines". Piaggio is implementing a new design philosophy[67], choice of materials through the dissemination of the culture of "circularity". The Group's medium-term objective is to succeed in reducing the demand for raw materials, particularly those that are scarce or have a polluting production cycle (e.g. energy-intensive, high GHG emissions), by favouring the RRS (**Recycle, Reuse, Save**) production philosophy:
Recycling: through the use of recyclable materials, the foundations are laid for a Product suitable for being part of Circularity[68].
Reuse: an example of possible (direct) reuse is lithium batteries. These usually have a longer life than the vehicle; so they can be reused, provided they can be easily separated and standardised[69]. The Piaggio 1 batteries, for example, are designed with this in mind: they are removable, made of recyclable materials and are also of a dimensional standard for future Piaggio electric vehicles in the same range.
Saving: another example of attention to the use of resources is the elimination of rare earths from electric motors, as well as other precious and hardly reusable materials usually found in electronic components.

67 Example: Design aimed at reducing the number of parts in a vehicle. The elimination of a body part, through its integration with an adjacent one, generates a cascade of benefits: a reduction in the moulds to be built with consequent material and energy savings throughout their production process; the elimination of material waste; a reduction in moulding energy; a reduction in the number of packages; a reduction in the energy needed for transport; reduced time and energy for assembly of the finished product; streamlining of warehouse management and spare parts management. All this is achieved without having changed the content of the Product, but only having steered the design in this direction.

68 Piaggio's commitment in this field includes a close relationship with the University of Florence aimed at optimising the design of new vehicles in RRS terms, in place since 2011 when the first survey of this kind was conducted on a scooter (Piaggio Mp3 Hybrid). In 2023, the survey focused on the Vespa GTS 300 and highlighted the substantial and design quality of the product, which was found to be 89.7% recyclable.

69 The Piaggio Group, HONDA Motor Co., Ltd., KTM F&E GmbH, and YAMAHA Motor Co, Ltd. established the Swappable Batteries Motorcycle Consortium (SBMC), in order to promote the widespread use of light electric vehicles such as motorised mopeds, scooters, motorcycles, tricycles and quadricycles, and to encourage a more sustainable management of the life cycle of batteries, in keeping with international climate policies.

Circular economy

Regarding the risks associated with establishing standards for electric vehicle batteries and the selection of materials used in vehicle production that could affect Piaggio's operations, it is important to highlight that Piaggio has established the Swappable Batteries Motorcycle Consortium (SBMC) in collaboration with Honda, Yamaha, and KTM. The consortium's objective is to develop a global standard that will enable the interoperability and exchangeability of batteries in scooters and motorcycles. This innovative technology aims to improve the sustainability of the battery life cycle, reduce costs and cut recharging times, meeting key consumer needs. Around 30 companies are now members of the Consortium, which includes global players in the automotive, component and battery manufacturing sectors, ready to pool their know-how for the definition of common open standards for the benefit of the consumer.

Additionally, the Group keeps a close watch on changes within the regulatory environment of pertinent markets and engages in discussions with authorities and institutions, bolstered by the backing of trade associations such as ACEM.
Regarding the impacts and risks associated with waste generation and management by the Group, Piaggio adheres strictly to the regulations in force within the various countries where it operates. Furthermore, Piaggio has implemented an ISO 14001-certified environmental management system across all production sites and has established clear operating procedures for waste management.
Concerning the repercussions of poor waste management throughout the value chain and the associated risk to reputation, it is important to highlight that Piaggio mandates adherence to the prevailing local environmental laws through the endorsement of the Code of Ethics.

To date, the Group has not defined any specific objectives with delineated time horizons with reference to these issues.

Resource inflows

Group purchases mainly concern functional assemblies, such as mufflers, forks, radiators, CVTs, headlamps, instruments and electronic control units, and components and accessories. The Group has retrieved the weight of goods purchased by its production companies for the year 2024 from its accounting systems, associating each commodity class with the most significant materials. This analysis reveals that total purchases amount to 103,302 tonnes of technical products and materials, alongside 2,385 tonnes of biological materials[70] (which make up 2.3% of all input materials) Secondary components[71] purchased amounted to 2,940 tons, equivalent to 2.8% of total purchases.
Certain components, like catalytic converters, contain valuable metals including platinum, palladium, and rhodium.

70 The percentage of certified biological materials could not be determined.
71 To date the figure includes only secondary aluminium purchases.

Circular economy

Disposal of end-of-life vehicles

Piaggio's concern for the environment is reflected in its commitment, starting from the design stage, to ensure the eco-compatibility of its vehicles even at the end of their useful life.

2-WHEELERS

Although no regulations on recyclability are currently in force or envisaged for two-wheeler vehicles, the Piaggio Group has moved ahead in this direction. Since the debut of the Sfera 50 (1990), the technologies and materials used in the design and construction of the Group's scooters and motorbikes have in fact been aimed at environmental compatibility and effective end-of-life disposal. Moreover, since 2008, Piaggio has changed the cartouches of drawings and the information provided in the bill of materials, in order to make it possible to control the materials used to build vehicles and optimise disassembly activities for an easier disposal process.
An analysis of the recyclability characteristics of the Vespa Gts 300 Abs E5 according to ISO 22628 was carried out with the collaboration of Unifi. This was done by dismantling a real example of the vehicle and taking a census of all its components.
The recyclability and recoverability values for the Vespa GTS 300 ABS E5 are reported below.

	VESPA GTS 300 ABS E5
Recyclability (Rcyc)	89.7%
Recoverability (RCOV)	97.9%

4-WHEELERS

Over the years, Piaggio has embarked on a challenging strategy to ensure a high level of recyclability of its vehicles, culminating in the production of a manual for end-of-life vehicle dismantling.
Piaggio constantly monitors the recyclability and recoverability rates of its vehicles according to an internal procedure that is consistent with the requirements of Directive 2000/53/EC in relation to the four-wheeler sector, keeping these two indicators always above the permitted thresholds.
The indicators are calculated and supplied to the Approval Bodies in an ISO 22628 format, according to the tables of the European Commission. Starting from the production list of the complete vehicle, it is possible to trace the datasheet of each component kit with an indication of the relevant materials with codes and recycling and recoverability percentages.
The analyses carried out have also enabled the creation of a database, which keeps the material composition of vehicles and their recyclability and recoverability rates up to date, from the design stage onwards.

Circular economy

Below are the Recyclability and Recoverability values of the new Porter NP6 (calculated for the heaviest variant).

	NEW PORTER NP6 SW LPG SR 2,12T
Recyclability (Rcyc)	87.8%
Recoverability (RCOV)	98.9%

Piaggio used the following methodology to estimate the recyclability rate of vehicles sold during the year:
- the analysis results for the two aforementioned vehicles were applied to all other versions of the same models, accounting for 44% of sales volumes;
- for other vehicles (Piaggio Liberty, Piaggio Medley, Aprilia RS, Aprilia SR, Moto Guzzi V7, Aprilia Tuono, and Ape), with available bills of materials, we've identified the materials that make up about 80% of the vehicle, mainly aluminium, steel, and polymers for the 2Ws;
- by analysing statistical literature, we identified disposal rates for key regions (Asia and Europe) based on sales volumes. If disposal rates for the reference area were unavailable, a similar figure for the material in question was used. Thus, we increased the product scope coverage by an additional 47%, reaching a total coverage of 91%, using primary input data excluding geographies;
- finally, the population was redistributed to account for the missing 9% of the perimeter, ensuring complete coverage.

The analysis shows that 74.63% of vehicles sold in 2024 could be recycled.

Waste management and recovery

The Company's desire to minimise the environmental impact of its industrial activities through careful calibration of the technological processing cycle and the use of the best technologies and most up-to-date production methods, as set out in its Policy, is also, and above all, expressed through waste management and recovery. Within the Management System based on the ISO 14001 standard, each plant has specific procedures that regulate waste management, guaranteeing above all the necessary compliance with the regulations, but above all the continuous improvement of performance aimed at reducing the quantity of waste produced and ensuring it is recycled.
The management activities consist of separate collection of the different types of waste, their correct categorisation through product classification or chemical analysis, internal handling without the possibility of accidental spillage, storage in suitable temporary storage areas, the definition of contracts with companies specialised in recovery/disposal, and the management of all formalities, including paperwork, to ensure traceability of the waste until it reaches the final recipient.

The waste analyses only concern the production plants. Office waste from commercial businesses is domestic and unregulated.
In 2024, waste generation fell by 19.5%, partly due to lower production volumes.
The percentage of non-recycled waste at Group level is 22.5%.
It should be noted that for Italian and Indian plants, the percentage of waste sent for recovery equals 95% of the waste produced.
The division between hazardous and non-hazardous waste, as well as the possibility of sending waste for recovery, can change from one country to another and is affected and influenced by local regulations.

Circular economy

WASTE PRODUCED

TONS.	ITALY			INDIA			ASIA PACIFIC			TOTAL		
2024	DISPOSAL	RECYCLING	TOTAL	DISPOSAL	RECYCLING	TOTAL	DISPOSAL	RECYCLING	TOTAL	DISPOSAL	RECYCLING	TOTAL
Hazardous	343	398	740	51	88	139	789	-	789	1,183	485	1,668
Non-hazardous	35	6,337	6,372	71	2,222	2,293	1,546	701	2,247	1,652	9,260	10,912
Total	**377**	**6,735**	**7,112**	**122**	**2,310**	**2,431**	**2,335**	**701**	**3,036**	**2,834**	**9,745**	**12,580**
2023												
Hazardous	677	284	961	32	118	149	1,538	-	1,538	2,247	402	2,649
Non-hazardous	78	8,271	8,349	276	1,794	2,070	2,092	469	2,561	2,446	10,534	12,981
Total	**754**	**8,555**	**9,310**	**308**	**1,912**	**2,220**	**3,631**	**469**	**4,100**	**4,693**	**10,936**	**15,629**
DELTA 2024-2023												
Hazardous	(334)	113	(221)	19	(30)	(11)	(749)	0	(749)	(1,064)	83	(981)
Non-hazardous	(43)	(1,934)	(1,977)	(205)	428	222	(546)	232	(314)	(795)	(1,274)	(2,069)
Total	**(377)**	**(1,820)**	**(2,198)**	**(186)**	**398**	**212**	**(1,295)**	**232**	**(1,064)**	**(1,859)**	**(1,191)**	**(3,050)**

Circular economy

TONS	ITALY			INDIA			ASIA PACIFIC			TOTAL		
2024	DISPOSAL	RECYCLING	TOTAL	DISPOSAL	RECYCLING	TOTAL	DISPOSAL	RECYCLING	TOTAL	DISPOSAL	RECYCLING	TOTAL
Textile, leather and fur industry waste	-	3	3	-	-	-	-	-	-	-	3	3
Inorganic waste from chemical processes	0	-	0	-	-	-	-	-	-	0	-	0
Paints, varnishes and glazes, enamels, adhesives, sealants and inks	32	29	61	71	60	131	431	-	431	534	89	623
Wastes from chemical surface treatment and coating of metals and other	-	-	-	49	-	49	-	-	-	49	-	49
Wastes from shaping and physical and mechanical surface treatment of metals and plastics	266	205	472	-	85	85	89	-	89	355	290	645
Waste from oil and liquid fuels	-	37	37	-	5	5	1	-	1	1	42	43
Waste from organic solvents, refrigerants and propellants	2	122	125	-	-	-	-	-	-	2	122	125
Waste from packaging, sanitary protection, cloth towels, filtering and protective materials not otherwise specified	-	5,580	5,580	-	1,400	1,400	51	610	661	51	7,590	7,641
Other waste not otherwise specified	38	472	511	1	62	64	2	15	17	42	549	591
Construction and demolition waste	36	217	253	-	490	490	-	8	8	36	715	752
Waste from health care	0	-	0	-	-	-	0	-	0	0	-	0
Waste from waste management facilities, off-site sewage treatment plants and preparation of water for human consumption and water for industrial use	1	-	1	-	-	-	240	-	240	241	-	241
Municipal waste	-	70	70	0	207	208	1,522	67	1,589	1,522	344	1,866
Total	**377**	**6,735**	**7,112**	**122**	**2,310**	**2,431**	**2,335**	**701**	**3,036**	**2,834**	**9,745**	**12,580**

The analysis by type of waste produced shows the predominance of packaging waste (cardboard, wood etc.).

At present, the Group does not have the most detailed information to categorise the types of waste treatment.

SOCIAL INFORMATION

OWN WORKFORCE

Human resources, with their skills, capabilities and passion, are the cornerstone of Piaggio's competitiveness and growth.
A strategic vision, strong focus on results, constant pursuit of customer satisfaction, drive towards innovation and attention to future market scenarios are the main drivers that guide every action, both individual and collective, aimed at creating value for all stakeholders. People are the key element that enables us to meet challenges in an increasingly dynamic and competitive international scenario.
For these reasons, Piaggio places people at the centre of its organisation, ensuring their respect and protection in every Group company.

Personnel management policies

Article 8 of the Code of Ethics asserts that Piaggio acknowledges the primary role of human resources, in the belief that the main factor of success of any enterprise is the professional contribution of the people working there, in a context of mutual trust and respect. The Company protects health and safety in the workplace, and in carrying out its operations it believes that the respect of workers' rights is fundamental. The management of working relations is aimed at guaranteeing equal opportunities and at promoting everyone's professional growth. For more details on the Piaggio Group's Code of Ethics, please see the "Code of Ethics" section under "Governance Information".
To safeguard these social goals and handle its impacts, risks, and opportunities, Piaggio established specific policies at the start of 2025[72] , applicable across all Group companies, for which the Executive in Charge of Sustainability Reporting is responsible.
To put the Policies into practice, we need the active backing of every employee in the Group, at every level, and all those acting for or in Piaggio's interest. This must be done following our internal guidelines and using the resources Piaggio provides.
Anyone who learns of credible misconduct must report it in good faith through the proper internal channels, as outlined in the Whistleblowing Policy, available at www.piaggiogroup.com. Piaggio ensures strict confidentiality in managing whistleblowing and does not tolerate retaliation against those who report wrongdoing.

HEALTH AND SAFETY POLICY

Safeguarding the workforce's health and safety is a fundamental aspect of Piaggio's business approach.
Meeting legal obligations and following relevant rules are essential for ensuring safe and healthy work environments.
To ensure a healthy and safe work environment for employees and other parties involved, Piaggio has established robust prevention measures, thorough hazard identification, and accurate evaluation of opportunities and risks, ensuring ongoing enhancement of working conditions.

The main goal of preventing work-related accidents or illnesses can be met by the whole company sharing responsibility for putting in place, maintaining, and enhancing the Occupational Health and Safety Management System. Everyone can contribute to this according to their roles and skills.

72 The Policies are published on the company intranet.

Piaggio's commitment to health and safety is based on the following fundamental principles:

- Health and safety, both individual and collective, are essential requirements: individual behaviour and corporate decisions are oriented towards this end.
- Worker risk prevention is ensured by properly managing processes and promptly maintaining and checking facilities.
- Proper use of machinery and adopting best practices or seeking improvement opportunities are key to prevention.
- Piaggio equips, educates, and inspires its employees to work safely by engaging every level of the organisation in ongoing training and information initiatives. These efforts aim to foster a culture of workplace health and safety and guarantee that the company's responsibilities and procedures in these domains are kept current, clearly communicated, and comprehended.
- Training and information are essential for conveying to employees the principles, guidelines, and methods of implementing the Occupational Health and Safety Management System.
- Every worker must look after their own health and safety, as well as that of others in the workplace, in line with the training provided.
- Piaggio considers worker consultation and participation, or that of their representatives, essential for the ongoing enhancement of health and safety.

The Policy is established within a framework of internal regulations that govern the Group's conduct and ethical principles. It aligns with the UNI EN ISO 45001 standard for "Occupational Health and Safety Management Systems", which Piaggio is committed to upholding across all its manufacturing facilities.

HUMAN RIGHTS POLICY

For Piaggio, upholding universally recognised human rights is an essential and non-negotiable aspect of its corporate ethos and strategy. Piaggio is dedicated to managing and minimising the risk of human rights abuses, despite the inherent challenges posed by its global, multi-ethnic, and varied social and economic environment. It also promotes the following principles:

- **Non-discrimination** - Piaggio stands against all forms of discrimination, whether direct or indirect, on the grounds of gender, sexual orientation, marital or pregnancy status, parenthood, age, disability (mental or physical), skin colour, ethnicity, nationality, religion, socio-economic or cultural background, trade union membership, political beliefs or any other opinion. The company is dedicated to preventing discrimination in every aspect of work.
- **Freedom of Association** - Piaggio acknowledges its workers' right to freely join trade unions and engage in collective bargaining. To support this, it maintains an open and constructive dialogue with recognised trade union representatives.
- **Rejection of forced labour** – Piaggio opposes all worker exploitation, including child, forced, or mandatory labour, and any psychological or physical mistreatment or coercion of its employees and those in its supply chain. It also firmly denounces human trafficking and exploitation in every form.
- **Child labour** – Piaggio adheres to minimum age requirements for employment as stipulated by ILO Convention 138 and forbids hiring individuals under 18 for roles involving dangerous tasks, in line with ILO Convention 182.
- **Decent working conditions** – Piaggio fosters a work environment rooted in trust, dialogue, and mutual respect, safeguarding employee well-being and work-life balance.
- **Fair and decent wages** - Piaggio guarantees fair and decent wages wherever it operates. In addition to following local laws and contracts, pay must cover employees' basic needs and provide them and their families with a decent standard of living. Piaggio furnishes all staff with written employment contracts and accurate payslips, ensuring clear and transparent details.
- **Equal pay for equal work** - Piaggio strongly believes in remunerating work of the same value equally, irrespective of gender. Employee career progression decisions are based solely on their skills, experience, professional potential, and achievements.
- **Fair Working Hours** - Piaggio ensures reasonable working hours and pays properly for overtime, in line with relevant laws, regulations, and, where relevant, collective agreements.

The Human Rights Policy is in line with the laws and regulations of the individual countries in which it operates and applicable international standards, including:

- the United Nations International Bill of Human Rights encompasses the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social, and Cultural Rights;
- the United Nations Convention on the Rights of the Child;
- the Declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO) and its applicable conventions;
- the European Convention on Human Rights;
- the United Nations Convention against Corruption.

Piaggio champions human rights and compliance with international standards among its partners and stakeholders. It demands that suppliers agree to general supply terms incorporating its Code of Ethics' principles.

Piaggio does not use workers below the minimum age thresholds defined by different countries, nor forced labour, and respects the main international laws, such as the UN Convention on the Rights of the Child (UNCRC) and The Human Rights Act of 1998.

Taking into account that Piaggio adheres to its distinct behavioural values, which are encapsulated in the Code of Ethics established in 2004 and extensively shared across all subsidiaries, there is no risk to its workforce regarding involvement in operations with a significant danger of forced or child labour.

POLICY ON GENDER EQUALITY, NON-DISCRIMINATION AND INCLUSION

Piaggio offers equal opportunities in every aspect of working life, from the recruitment phase to all decisions concerning pay, job allocation, training and career development. In particular, Piaggio firmly believes that work of equal value should be paid equally, for example, between women and men, and is actively working to promote gender equality. Decisions regarding the career advancement of employees are made exclusively on the basis of the skills, experience and professional potential of individuals and their achievements, without regard to gender, sexual orientation, marital status, pregnancy status, parental or care-giving status, age, disability (mental or physical), colour, ethnic origin, nationality, religious belief, socio-economic and/or cultural background, trade union affiliation, political or other opinion.

Piaggio consistently strives to ensure that everyone connected with its operations – be they employees, suppliers, customers, temporary staff, trainees, or others – experiences a workplace and business environment where dignity and respect are mutual, and where all are free from harassment, whether verbal, psychological, or physical (sexual or otherwise), abuse, coercion, violence, or any kind of discrimination.

Piaggio has always fostered an inclusive culture that values individuals and their sense of belonging to the company community. Dialogue, trust, and participation are always seen as key to organisational well-being, helping individuals reach their full potential and engage fully in company activities.

Piaggio has designed management models and processes so that:

- decisions concerning the employment and development of people are free from all forms of discrimination and harassment;
- equal pay for work of equal value, such as between genders, is guaranteed under fair meritocratic conditions. Any disparities are identified and systematically addressed;
- maintain a high level of attention and awareness regarding Gender Equality, Diversity, and Inclusion to prevent potential prejudice;
- Piaggio maintains an inclusive and respectful work environment, both internally and in dealings with external stakeholders, free from any form of sexual and non-sexual discrimination and harassment;
- people's motivation is fostered through conversation, involvement, services, and initiatives that promote mental and physical health and work-life balance, including flexible working arrangements, promoting a culture of shared family responsibilities, health support programmes, and assistance with parenting.

Based on the relevance and specific aspects of the Indian market, the following are in force at the local subsidiary: the Code of Business Conduct & Ethics, the Whistle Blower Policy and the Policy on the Prevention of Sexual Harassment of women at the workplace, to prevent incidents of sexual harassment within the plant.

POLICY ON GLOBAL INFORMATION SECURITY

To ensure the confidentiality and integrity of employees' personal data, in 2025 the Group formalised the "Global Information Security Policy", applicable to all Group companies. For more details on the Policy, please see the "Privacy" section in the Governance Information chapter.

The Group is committed to offering its employees a benefits package designed to improve their personal and family well-being, both financially and socially. To this end, a number of company procedures are in place instead covering the following IROs: "Enhancing staff well-being by promoting company welfare policies", "Neglect of the Group employees' mental and physical health (e.g., work-life balance etc.)".
Regarding the impact on training, the Group has initiated a process to enhance the skills and career opportunities of its employees, as outlined in the section "Training and Skills Development".

Involvement and engagement with employees

The Piaggio Group, as reported in the section "Expectations and ways of involving stakeholders - General information", involves its employees through various methods: Company intranet (PiaggioNet), webmail service, performance evaluation system, Wide Piaggio Group Magazine, and meetings with employee representatives and trade unions. The PiaggioNet intranet portal provides employees in Italy and overseas with key information about the Group, procedures, company updates, and new product lines, all available in English.
Piaggio adopts a proactive approach to employee engagement, ensuring staff receive and share information, and are invited to offer feedback and suggestions for improvement during critical times, such as in training and resource development initiatives. Furthermore, the Piaggio Group's internal communication guidelines aim to inform employees about the performance and prospects of the business and to bring them closer to the strategies of top management. The HR managers of Group companies ensure that involvement takes place and that the results guide the Group's approach.

Piaggio is dedicated to addressing the needs of vulnerable and marginalised employees that have been brought to its attention. However, as of now, no formal processes have been established to collect information regarding their specific requirements.

Processes to remedy negative impacts

The Group is dedicated to promptly addressing any confirmed instances where it has caused or contributed to adverse effects on the workforce. Human resource managers across the Group's companies handle significant adverse effects on the workforce identified during the materiality process. For a discussion of these processes, please refer to the individual sections dealing with the relevant issues. For more details of the reporting process, please refer to the section "Whistleblowing Channels - Governance Information".

Actions

Over time, the Group has established a comprehensive management system, along with a series of processes and measures, to reduce potential adverse effects on the health and safety of employees. Among others, they include:
- implementation and maintenance of the ISO 45001 certified management system in all production facilities;
- monitoring the effectiveness of the system and periodic internal audits;
- training, health and safety courses even beyond the legal limits with specific training packages for testers, who are a particularly exposed category;
- appointment of Safety Ambassadors in production plants;
- medical facility.

For more details, please refer to the section on "Occupational health and safety".

In terms of enhancing the positive impact of "improving employee welfare conditions through the promotion of corporate welfare policies", the Group is committed to promoting corporate welfare policies. The objective is to offer employees a suite of benefits tailored to boost their personal and familial well-being, both economically and socially. For details refer to the paragraph "Reward System and Corporate Welfare".

In addressing potential negative impacts on employees' psychological and physical well-being, as well as the lack of acknowledgement of fair working conditions (which encompasses the right to freedom of association), the Group enforces contractual terms that align with the best practices in the industry. To substantiate this, in 2024, the Indian subsidiary was acknowledged as a "Great Place to Work" by the organisation of the same name, whereas the Vietnamese subsidiary received the "HR Asia Best Company to Work For (Vietnam Edition)" award from Business Media International (BMI).
Furthermore, the Group sustains a continuous dialogue with trade unions to minimise the potential risk of reputational harm linked to the emergence of industrial relations tensions. Such tensions could result in disruptions or decelerations in business operations and might project an image of inadequate support for proper working conditions and hours. The actions are more detailed in the section "Working Conditions".

Regarding the adverse effects associated with the potential unmet expectations for personal and professional development among staff, the Group undertakes the following measures, many of which are continuous:
- it has defined a managerial competency model;
- it carries out annual skills gap analyses to set up development and training plans;
- it applies job rotation;
- it implements a talent development programme;
- in 2024 it launched a pilot programme dedicated to strengthening strategic management skills.

The actions are further detailed in the section "Training and Skills Development".

In response to the detrimental effects of failing to uphold the principles of diversity and inclusion, as well as equal opportunities, and the associated risk of possible harassment incidents, the Group implemented policies on human rights and equal opportunities at the beginning of 2025.
Additionally, initiatives were promoted to enhance employee awareness as part of Women's Day celebrations, particularly in India and Vietnam, along with the delivery of training programmes in India focused on preventing sexual harassment.
Further details can be found in the relevant sections on "Diversity and equal opportunities" and "Protecting the human rights employees".

Regarding the potential adverse effects on the confidentiality, integrity, and availability of employee personal data, and the associated risks, the following mitigation measures are outlined: implementation of an IT system for access management and role segregation, backed up by regular cybersecurity refresher courses. For more details, please refer to the section "Governance Information - Privacy".

Targets

In accordance with the Health and Safety Policy for the upcoming two financial years, the Group plans to enhance the per capita non-compulsory training hours in health and safety by 2% annually (resulting in a 2% increase in 2025 compared to 2024, and a further 2% increase in 2026 compared to 2025). This initiative is aimed at elevating the safety standards for its employees. Despite being established without the direct participation of the workforce, the goal aligns with the overarching strategy of the Group. For enhanced protection, the Group deems it prudent to extend the safety training of its employees beyond the minimum legal requirements. The Group will provide information on the progress of the stated target with the next Sustainability Report.

Employees

Over the years, the Group has always paid attention to continuously adapting its organisational structure to international best practices. In 2024, Piaggio continued to adopt organisational initiatives to support its commercial, innovation and new product development objectives, while maintaining a focus on efficiency and productivity targets.
At 31 December 2024, the Group had 5,721 employees, an overall decrease of 3.4% compared to 31 December 2023.

COMPANY POPULATION BY COUNTRY AND GENDER AS AT 31 DECEMBER[73]

	2024			2023			CHANGE		
NO. OF PEOPLE	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
ITALY	2,068	952	3,020	2,057	950	3,007	11	2	13
EMEA	127	32	159	124	33	157	3	(1)	2
USA	82	20	102	93	21	114	(11)	(1)	(12)
EMEA and AMERICAS	**2,277**	**1,004**	**3,281**	**2,274**	**1,004**	**3,278**	**3**	**0**	**3**
VIETNAM	717	179	896	802	178	980	(85)	1	(84)
INDONESIA	78	17	95	90	15	105	(12)	2	(10)
OTHER APAC	24	9	33	26	9	35	(2)	0	(2)
CHINA	42	32	74	50	35	85	(8)	(3)	(11)
ASIA PACIFIC	**861**	**237**	**1,098**	**968**	**237**	**1,205**	**(107)**	**0**	**(107)**
INDIA	**1,310**	**32**	**1,342**	**1,403**	**39**	**1,442**	**(93)**	**(7)**	**(100)**
GROUP TOTAL	**4,448**	**1,273**	**5,721**	**4,645**	**1,280**	**5,925**	**(197)**	**(7)**	**(204)**

Please note that both the Report on Operations and the Notes to the Financial Statements include the headcount figures both as at 31 December and as an annual average.

73 The methodology used for counting employees is the headcount. No employees belonging to a third gender were recorded.

Own workforce

COMPANY POPULATION BY CONTRACT TYPE, GENDER AND GEOGRAPHIC SEGMENT AS OF 31 DECEMBER 2024

	FIXED-TERM CONTRACT			OPEN-ENDED CONTRACT		
NO. OF PEOPLE	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
EMEA and Americas	5	2	7	2,272	1,002	3,274
of which Italy	*4*	*2*	*6*	*2,064*	*950*	*3,014*
India	182	4	186	1,128	28	1,156
Asia Pacific 2W	156	54	210	705	183	888
Total	**343**	**60**	**403**	**4,105**	**1,213**	**5,318**

COMPANY POPULATION BY PROFESSIONAL TYPE, GENDER AND GEOGRAPHIC SEGMENT AS OF 31 DECEMBER 2024

	FULL TIME			PART TIME		
NO. OF PEOPLE	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
EMEA and Americas	2,263	839	3,102	14	165	179
of which Italy	*2,056*	*789*	*2,845*	*12*	*163*	*175*
India	1,310	32	1,342	0	0	0
Asia Pacific 2W	861	237	1,098	0	0	0
Total	**4,434**	**1,108**	**5,542**	**14**	**165**	**179**

The company does not make use of occasional on-call contracts.
During 2024, the Group recorded a voluntary and involuntary turnover rate of 7.4% (excluding fixed-term resources).

TURNOVER OF THE GROUP'S CORPORATE POPULATION AT 31 DECEMBER 2024[74]

	TOTAL			% TURNOVER		
NO. OF PEOPLE	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
EMEA and Americas	122	48	170	5.4%	4.8%	5.2%
India	149	6	155	11.4%	18.8%	11.5%
Asia Pacific 2W	85	12	97	9.9%	5.1%	8.8%
Total	**356**	**66**	**422**			
% Turnover	**8.0%**	**5.2%**	**7.4%**			

The total number of terminations within the Group, which includes the conclusion of fixed-term contracts to maintain the required flexibility in labour utilisation, reached 1,947, accounting for a turnover rate of 34% of the workforce.

74 Turnover determined as the ratio of employees leaving during the year (excluding fixed-term contracts and intra-group movements) to the number of employees at 31.12.

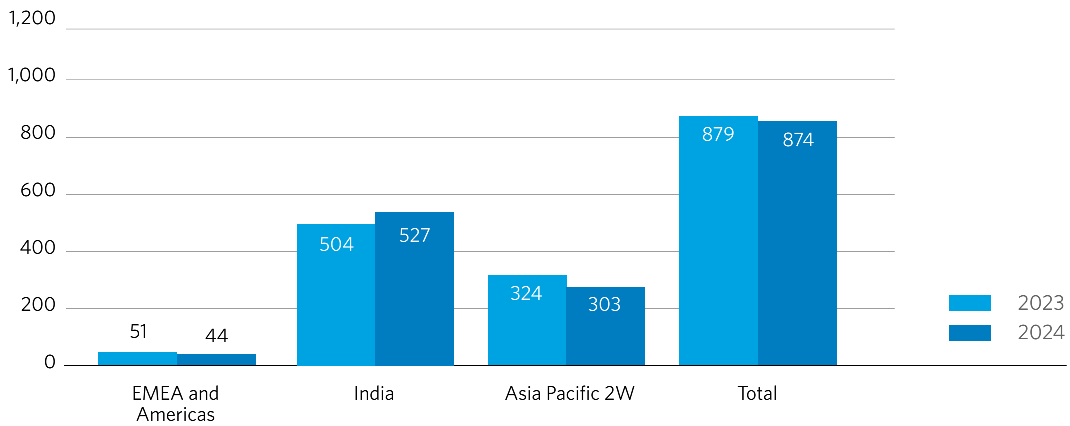
Own workforce

Non-employees

The use of external workers within the Group is essentially limited to the Indian and Vietnamese plants and is linked to the need to cope with temporary peaks in demand, so external workers, mainly agency workers, are sought and hired during these periods.
Additionally, internships and partnerships facilitate the progressive integration of recent graduates into the company, enhancing their education while considering the unique characteristics and local laws of each country. As of 31 December 2024, there were 874 external workers, a negligible decrease of 0.5% from the 879 recorded in 2023, reflecting changes in production volumes.

AS OF 31 DECEMBER 2024	EMEA AND AMERICAS	INDIA	ASIA PACIFIC	TOTAL
Agency workers	0	448	200	648
Internships and external collaborators	44	79	103	226
Total	**44**	**527**	**303**	**874**

NON-EMPLOYEES AT 31 DECEMBER (HEADCOUNT)



Own workforce

Working conditions

COLLECTIVE BARGAINING AND SOCIAL DIALOGUE

	COLLECTIVE BARGAINING COVERAGE		SOCIAL DIALOGUE
COVERAGE RATE	EMPLOYEES - EEA	EMPLOYEES - NON-EEA	EMPLOYEES - EEA
0-19%		USA - Indonesia - Other Asia Pacific	
20-39%		India	Italy - EMEA
40-59%			
60-79%	EMEA		
80-100%	Italy	Vietnam - China	

The Piaggio Group recognises the role of trade union organisations and workers' representatives and is committed to establishing relations with them focused on attention, engagement and a common understanding. Ongoing comparison and discussion are in fact considered fundamental elements for finding the best solutions to specific company needs.

The Group's policy is to involve workers and their representatives in the pursuit of corporate objectives and to establish an ongoing dialogue with them. The solutions and behaviour adopted in the various countries in which the Group operates are in tune with the social and institutional context, but always consistent with the Group's underlying principles and overall needs.

Piaggio respects labour legislation in the various countries where it operates and applies collective bargaining when the law requires it. In particular, around 80% of the Company's workforce is covered by a sector, territorial or company collective bargaining system, depending on the historical, regulatory and cultural differences in the various national contexts. In situations where there is no collective bargaining agreement, however, Piaggio operates in full compliance with Group policies, local regulations and freedom of association.
In addition, around 22% of the corporate population is represented by trade unions.
The Group has not signed a Global Framework Agreements (GFAs) in relation to human rights.

Italy

In Italy, Piaggio engages in a system of industrial relations marked by ongoing dialogue with trade unions and workers' representatives. In an international setting rife with growing geopolitical strains and doubts about economic outlooks, this method has allowed us to tackle even exceptional circumstances efficiently and swiftly.

Close negotiation with trade unions has allowed us to tailor rules and contracts to individual company requirements, while also ensuring the needed flexibility in employing fixed-term staff. Specifically, the Neighbourhood Trade Union Agreements dated 19 January 2024 for the Pontedera (PI) site and 13 September 2023 for the Mandello del Lario (LC) site enabled us to address the seasonal production peaks by efficiently rehiring trained staff on fixed-term contracts.
Regarding employment, about 40 temporary contracts at the Pontedera unit became permanent in 2024. Additionally, 38 individuals secured permanent part-time contracts at the Mandello del Lario facility.
Negotiations for renewing the company's second-tier collective agreement continued throughout 2024. During the meetings, we discussed the key aspects of the regulatory section of the Supplementary Agreement outlined in the trade unions' proposal. The company confirms the application of the National Collective Labour Agreement (CCNL) for workers in the private metalworking and plant installation industry throughout the country has also been confirmed.
In production, we minimally used the Ordinary Wage Supplementation Fund (CIGO) in 2024 to manage temporary drops in market demand.

Regarding the Mandello facility, a significant investment to overhaul the entire production site necessitated temporary use of the extraordinary wage supplementation fund. Likewise, a solidarity agreement was implemented at the Pontedera Commercial Vehicles plant to facilitate the adaptation of production lines for assembling new vehicle models that comply with the latest European directives on safety and emissions.

India

In India, trade unions are structured on two levels, a company level and a territorial/area level; this structure is replicated in the Indian subsidiary, where the trade union system includes a company trade union committee of Piaggio employee representatives and a central trade union committee. The latter is the highest level, with members appointed by the trade union. The works council is made up of five members chosen each year by the employees.
In 2023, the new four-year collective agreement with the trade unions took effect.
Consistent with past years, the ongoing, constructive talks with union reps in 2024 helped adjust production to the shifting market demands, aiming to boost productivity.

In 2024, efforts were made to not only fully comply with labour laws but also to maintain a cooperative relationship with workers and trade unions. These efforts aimed to engage employees to enhance the company atmosphere and, as a result, boost their motivation. In line with this approach, Piaggio has carried out numerous activities including: various initiatives for disease control and prevention, awareness-raising on both "Prevention of Sexual Harassment" and health and safety issues, and support for employees' children.

Vietnam

In Vietnam, the functions of company-level trade union representatives (identified within the framework of a Company Trade Union Committee) are to protect employees, assist their understanding of certain aspects of labour regulations and company policies, and support certain company initiatives in economic terms for employees.
In particular, the Trade Union Committee elected for the 2023-2028 period and consisting of 15 members, assisted and supported together with the Company a series of events, aimed at improving employee motivation, e.g. through participation in company events.

Indonesia

During 2024, production processes at the Indonesian plant were consolidated in line with Group standards. In compliance with local regulations and practices, the Bipartite Forum of Cooperation and Communication (LKS) was established, consisting equally of company and employee representatives, which meets monthly to ensure a constructive and balanced discussion.

Own workforce

Adequate wages

All Piaggio Group employees receive an adequate salary. In countries where the law does not stipulate a minimum wage, the appropriate remuneration is determined by the Collective Bargaining Agreements in the various nations where the Group conducts its operations. Piaggio respects labour legislation in the countries where it operates and applies collective bargaining when the law requires it. As mentioned above, around 80% of the Company's workforce is covered by a sector, territorial or company collective bargaining system, depending on the historical, regulatory and cultural differences in the various national contexts. In environments where a collective agreement is absent, Piaggio nonetheless ensures fair compensation by providing its new hires and employees with a remuneration package that aligns with the best market standards. This is why it has adopted such a comprehensive salary review process:

- comparison of remuneration with market benchmarks, taking into account both the positioning of the company as a whole and the evaluation of individual organisational positions periodically reviewed, carried out using internationally recognised methodologies and with the support of specialised companies and industry leaders;
- definition of guidelines for salary review interventions, consistent with company results and based on criteria of meritocracy, competitiveness, internal fariness and sustainability;
- specific identification of fixed and variable remuneration interventions, consistent with defined guidelines, with meritocracy logics and with the retention needs of strategic resources for the business, also with a view to the development of roles defined through the succession planning process.

Diversity and equal opportunities

Human resources management processes are applied according to the same principles of meritocracy, fairness and transparency in all countries where the Group operates, with an emphasis on aspects relevant to the local culture.

Women in the workplace

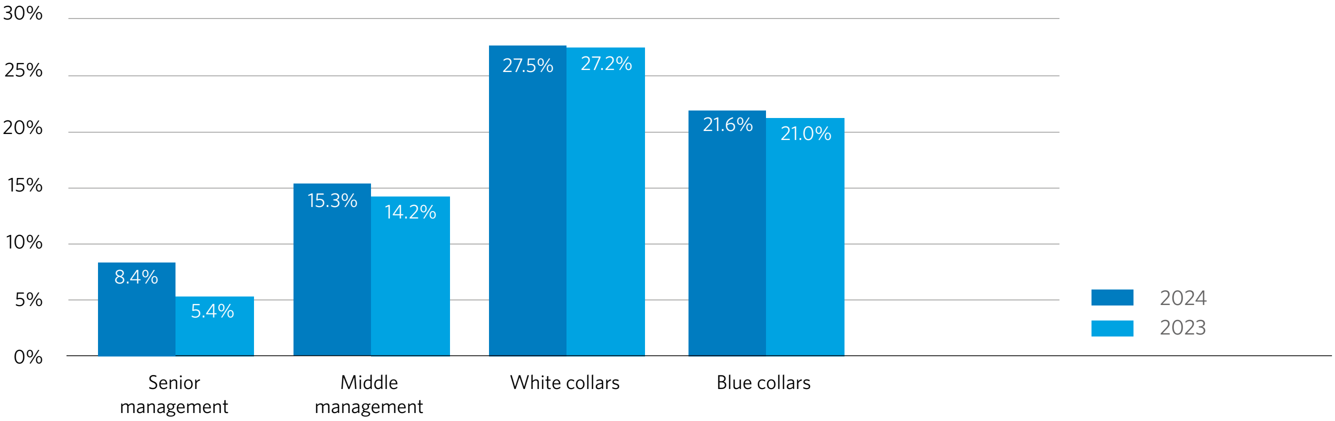
Women at Piaggio play a fundamental role at every level of the organisational structure. Females account for 22.3%, up on the previous year in all professional categories.
In this regard, we would like to mention the adoption of Female Advocacy initiatives aimed at facilitating the entry of women in the company at the Indian affiliate (e.g. ad-hoc selection activities at technical training institutes and awareness-raising training activities) and the Vietnamese affiliate (e.g. celebration of Vietnamese Women's Day).

COMPANY POPULATION BY GENDER AND GEOGRAPHIC SEGMENT AREA AS OF 31 DECEMBER

	2024				2023			
	MEN		WOMEN		MEN		WOMEN	
	NO.	%	NO.	%	NO.	%	NO.	%
EMEA and Americas	2,277	69.4%	1,004	30.6%	2,274	69.4%	1,004	30.6%
of which Italy	2,068	68.5%	952	31.5%	2,057	68.4%	950	31.6%
India	1,310	97.6%	32	2.4%	1,403	97.3%	39	2.7%
Asia Pacific 2W	861	78.4%	237	21.6%	968	80.3%	237	19.7%
Total	**4,448**	**77.7%**	**1,273**	**22.3%**	**4,645**	**78.4%**	**1,280**	**21.6%**

Own workforce

WOMEN AS A PERCENTAGE OF THE WORKFORCE AT 31 DECEMBER



Equal opportunities are offered to employees of both genders, with concrete initiatives to facilitate management of the work-life balance, such as the introduction of contract types other than full-time.

COMPANY POPULATION BY PROFESSIONAL CATEGORY AND AGE GROUP AT 31 DECEMBER

NO. OF PEOPLE		< 30	30-50	> 50	TOTAL
2024	Senior management	0	38	81	119
	Middle management	4	430	241	675
	White collars	217	916	475	1,608
	Blue collars	501	1,612	1,206	3,319
	Total	**722**	**2,996**	**2,003**	**5,721**
	%	13%	52%	35%	100%
2023	Senior management	0	35	77	112
	Middle management	3	441	248	692
	White collars	210	939	478	1,627
	Blue collars	650	1,658	1,186	3,494
	Total	**863**	**3,073**	**1,989**	**5,925**
	%	15%	52%	34%	100%

Within the Group, the corporate population is largest in the 30-50 age group.
The generational mix is fundamental for the knowledge and dissemination of know-how among young people by the most experienced workers, who are able to set an example and pass on the skills and abilities they have acquired over time.

Own workforce

COMPANY POPULATION UP TO 30 YEARS OF AGE BY GEOGRAPHIC SEGMENT AS OF 31 DECEMBER 2024

Remuneration metrics

The ratio of the annual total remuneration of the highest paid person to the median of the annual total remuneration of all Group employees excluding the aforementioned person is 34.1.
The same ratio calculated last year was 57.7.
The change stems from the failure to recognise variable pay in 2024, which is tied to meeting budget targets.

Internal analyses carried out at country level did not reveal any significant differences between the basic salary and remuneration of men and that of women for the same category, experience and assigned tasks.

	AVERAGE HOURLY PAY FOR MEN	AVERAGE HOURLY PAY FOR WOMEN	RATE
Group total	16.1	15.5	3.8

Own workforce

Training and skills development

TRAINING

Training is one of the tools used to consolidate and develop the skills of resources and strengthen their motivation. In particular, the Piaggio Group's training system is based on four main clusters: managerial, technical-professional, linguistic and Health & Safety (H&S).
Training is managed with the support of an IT tool that includes the following steps:
- annual analysis of training needs with line Managers, HR Managers and H&S (for safety aspects) taking into account the gaps emerging from performance appraisals, development and career plans and specific business projects;
- design of training activities consistent with the Piaggio competencies model;
- planning and delivery of courses with participant satisfaction surveys.

The analysis of training needs on occupational health and safety issues is carried out in cooperation with the Health & Safety function with the aim of fulfilling legal obligations, company procedures introduced to reinforce awareness and knowledge of specific risks and, particularly in the last three years, to consolidate aspects relating to the Culture of Safety.

TRAINING HOURS[75] BY AREA OF FOCUS AND GEOGRAPHICAL AREA FOR EMPLOYEES AND NON-EMPLOYEES

THEMATIC AREA	2024				2023			
	EMEA AMERICAS	INDIA	ASIA PACIFIC 2W	TOTAL	EMEA AMERICAS	INDIA	ASIA PACIFIC 2W	TOTAL
Management training	7,674	22,391	3,109	33,173	8,088	17,084	1,434	26,605
Technical - professional training	2,483	4,584	2,177	9,244	2,972	8,686	1,512	13,169
Language training	6,168	0	0	6,168	9,438	1,530	3,983	14,951
Health and Safety Training	13,134	10,252	10,600	33,985	12,983	6,784	13,686	33,453
Total	**29,458**	**37,226**	**15,886**	**82,570**	**33,481**	**34,083**	**20,615**	**88,178**

The trend in health and safety training is closely tied to meeting regulatory deadlines, with a growing emphasis on safety culture matters. In Italy, new management training courses have been set up to support development paths with a coaching-oriented approach to support the growth of resources through the acquisition of behaviour and skills consistent with the organisation's objectives and changes.
Technical and professional training focused on ICT, supply chain and product development issues also through internal training activities aimed at sharing Piaggio's distinctive skills.
Various training programmes have been conducted in Asia covering a wide range of topics, including leadership development, communication skills and the acquisition of technical and industry-specific skills.

TRAINING HOURS BY GENDER AND PROFESSIONAL CATEGORY

	2024			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Senior management	1,571	318	1,889	1,126	94	1,219
Middle management	13,987	2,036	16,023	13,978	1,455	15,433
White collars	23,837	7,043	30,880	25,125	8,618	33,743
Blue collars	21,959	3,088	25,047	28,941	4,601	33,542
Tot. Piaggio	**61,355**	**12,485**	**73,840**	**69,169**	**14,768**	**83,937**
Non-employees	7,994	737	8,730	4,033	209	4,241
Total	**69,348**	**13,222**	**82,570**	**73,202**	**14,976**	**88,178**

75 The figure does not include hours of on-the-job training.

Own workforce

PER-CAPITA HOURS OF TRAINING BY PROFESSIONAL CATEGORY (OUT OF AVERAGE WORKFORCE)

HOURS PER CAPITA	2024			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Senior management	14.4	35.3	16.0	10.5	13.5	10.6
Middle management	24.2	20.4	23.6	23.7	15.1	22.5
White collars	20.3	15.7	19.0	21.1	19.2	20.6
Blue collars	7.7	3.8	6.8	9.7	5.7	8.8
Total	**13.0**	**9.2**	**12.1**	**14.2**	**10.8**	**13.5**

To calculate the training hours per capita, we used the average number of employees. Using the headcount data as at 31.12, the hours per capita would be 12.9 (13.8 for men and 9.8 for women).

COMPULSORY AND NON-COMPULSORY TRAINING HOURS

THEMATIC AREA	2024		
	COMPULSORY	NOT COMPULSORY	TOTALS
Management training	3,602	29,571	33,173
Technical - professional training	5,179	4,060	9,239
Language training	0	6,168	6,168
Health and Safety Training	19,116	6,144	25,260
Total	**27,897**	**45,943**	**73,840**
Total per capita	**4.6**	**7.5**	**12.1**

COMPULSORY AND NON-COMPULSORY HEALTH AND SAFETY TRAINING HOURS

HEALTH AND SAFETY	2024			2023		
	COMPULSORY	NOT COMPULSORY	TOTAL	COMPULSORY	NOT COMPULSORY	TOTAL
Piaggio employees	19,116	6,144	25,260	22,052	7,160	29,212
Total per capita	**3.1**	**1.0**	**4.2**	**3.5**	**1.1**	**4.7**

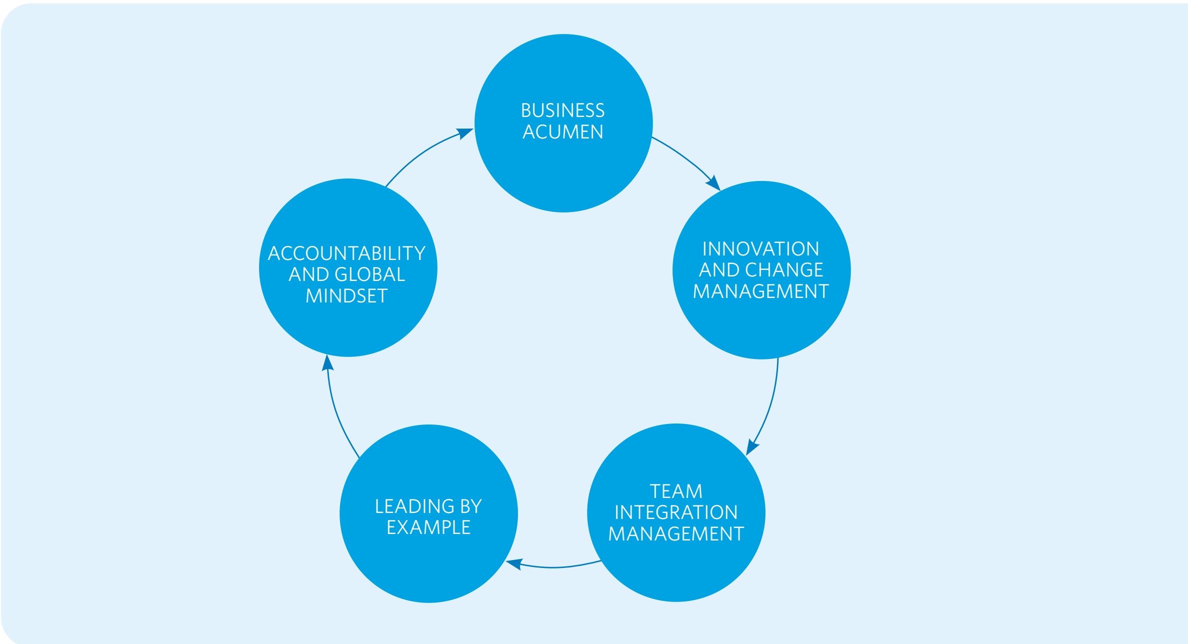
DEVELOPMENT AND CAREER

Development and career paths are mainly based on the assessment of managerial and technical skills, behaviour, performance and potential, with the aim of creating a pool of highly motivated resources to fill key positions.
The development of core competencies, required by business and market evolution, is a priority. For this reason, the Group's human resources development policies are focused on building, maintaining and developing the determining factors for competing in international and constantly evolving contexts.

The managerial and professional competencies model

Piaggio has identified a managerial competencies model, which comprises the set of behaviours to be put into practice on a day-to-day basis, to ensure the Group's global success.
At the same time, it has developed a reference model of professional skills, which represent the wealth of professionalism and know-how that are the real foundations and the only guarantee of continuity and quality of results.
During 2024, the periodic detailed gap analysis was carried out to set up development and training plans for continual professional development.

MANAGERIAL COMPETENCIES MODEL



Development paths

The development tools are aimed at building and increasing the managerial and professional skills envisaged by the respective models, while at the same time enhancing potential, evaluating and rewarding excellent performance and safeguarding specific technical know-how. In detail, the tools provided by Piaggio include:
- development plans, which reflect the growth actions planned for the employee;
- job rotation and participation in strategic or international projects;
- management and vocational training (see section "Training and skills development");
- talent management programme (see the section on "Talent management").

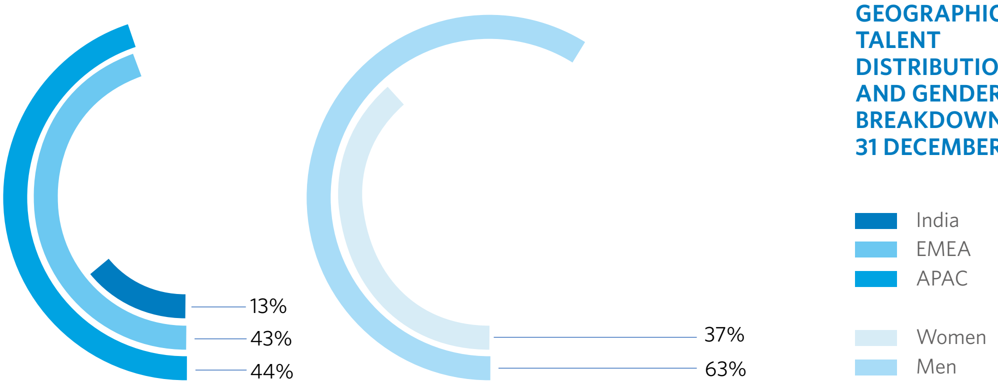
Talent Management: the Talent Development Programme

Young talent management programmes are among the main tools for development, attraction and retention. These programmes are aimed at employees worldwide who demonstrate high potential, a strong passion for their work and the courage to break new ground, in order to identify and guarantee a path to growth for the most deserving resources.
In general, such programmes provide talent with access to bespoke development paths, which consist of:
- development appraisal;
- coaching;
- workshops on core topics;
- customised training;
- strategic and international projects.

These programmes also include Piaggio Way, which involves under-35 employees from all Group geographical areas. In 2024, 32 young talents were actively engaged in the programme: 13 in EMEA, 4 in India, and 15 in APAC. Additionally, a community of 83 alumni, who have completed their development, continues to actively contribute to the programme.
Access to the programme is on a meritocratic basis and also includes an assessment by a third party to guarantee an appraisal that is impartial and objective.
A structured talent review process, led by close collaboration between HR managers, Training Managers, and Learning Managers, annually assesses the programme's progress, strengths, areas for improvement, and the engagement and motivation of the participating talents.
In 2023, the inaugural "Managerial Empowerment" pilot programme was initiated, engaging 11 employees across EMEA. This two-year initiative is set to be reintroduced in 2025 with enhancements to its framework and substance, informed by the outcomes of the evaluation conducted on the programme's impact.

A pilot programme dedicated to strengthening strategic management skills was launched in 2024, for which 9 Senior Managers were selected.

GEOGRAPHICAL TALENT DISTRIBUTION AND GENDER BREAKDOWN AT 31 DECEMBER 2024



Career paths

Resources are encouraged to embark on a career path that leans in to continuous improvement through training and skills development, in order to successfully meet the changes and challenges of the near future. Performance appraisal and succession planning processes are built to develop the technical skills and managerial capabilities of resources in order to consolidate the Group's leadership role. Expatriation and job rotation, combined with talent development programmes, are the key tools to stimulate the growth of its resources and lay the foundations to build the managerial class of tomorrow.
Piaggio, in keeping with market-recommended best practices, has adopted tools to oversee and handle succession planning for crucial group roles.

Appraisal

The Group is careful to make the criteria and the way in which people are appraised transparent:
- services provided,
- managerial, professional and language skills possessed,
- international mobility,
- potential,
- professional aspirations and goals,

in relation to specific roles and business needs.

The appraiser and appraised employee have the possibility to share the result of the performance and competence appraisal and to integrate it with proposals for the definition of tailor-made development and training paths with a defined timing through the dedicated SAP SuccessFactors IT platform.
Competencies are appraised based on a comparison between the competencies envisaged by the corporate model for the specific role and those found in the appraised employee, substantiated by concrete behavioural indicators observable in daily activities. The appraisal process is carried out in an integrated manner on a dedicated IT platform and provides information for the processes of Succession Planning, Management Review and Gap Analysis of professional skills, which are applied uniformly at Group level.

CORPORATE POPULATION THAT RECEIVED PERFORMANCE AND CAREER DEVELOPMENT APPRAISALS IN 2024

	SENIOR MANAGEMENT		MIDDLE MANAGEMENT		WHITE COLLARS		BLUE COLLARS		TOTAL		
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	TOTAL
Group total	80	5	507	87	996	392	-	-	1,583	484	2,067
Incidence on total	73.4%	50.0%	88.6%	84.5%	85.4%	88.7%			35.6%	38.0%	36.1%

The Group's procedure calls for assessing the company's workforce based on work performance over a minimum six-month period, excluding blue-collar workers. Consequently, the entire eligible population participated in the evaluation process.

Occupational Health and Safety

Worker health and safety is a common value for the entire Piaggio Group.
The complete implementation of this value also requires a commitment to ongoing improvement, not just meeting legal requirements, but as a constant process of evaluating performance, updating safety protocols, and seeking new opportunities for enhancement.

Strengthening a robust and entrenched safety culture is valuable; it can prevent accidents and protect health by fostering a work environment where safety is a common value across all organisational levels. To enhance safety awareness and education, we launched targeted training projects aimed at fostering a deep shift in attitudes towards safety standards.

Every level of the company takes part in carrying out occupational safety and health programmes, ensuring that specific actions are founded on a principle of synergy.

Prevention and protection activities to safeguard the health of workers in a complex industrial context like the Piaggio Group, both in Italy and abroad, can only be achieved effectively through an adequately structured organisation. The belief that prevention must steer behaviour and daily activities, at all levels, has led the Piaggio Group to adopt very similar safety management standards in all the countries where it operates, regardless of any regulatory constraints that are less stringent. From this perspective, the plants in Italy, India, Vietnam and Indonesia have an Occupational Health and Safety management system certified by a certification body accredited according to ISO 45001 standard (Occupational Health and Safety Management System). The ISO 45001 certified management system applies to 93% of all Piaggio Group employees worldwide. Certification audits take place every year and were also successful in 2024.

All company activities, including production and support, undergo a constant risk assessment process. This dynamic process is regularly reviewed with the most suitable methods and criteria, and we engage external experts when needed. The above is recorded in the specific Risk Assessment Documents.

The Occupational Health and Safety Management System implemented at Piaggio envisages a rather extensive document system which, starting from the H&S Policy issued by Management, is set out in the Manual and actually implemented in the Management Procedures (which involve the entire company organisation), in the Operating Procedures (which instead involve only some company structures) and in the Work Instructions, which specify the correct methods for performing individual operations.

Specific procedures are in place for change management, both with a view to risk prevention and to intercept opportunities for improvement (ergonomics, plant safety, etc.).

Own workforce

Change management is guaranteed by specific procedures designed to reinforce a risk prevention model and to identify opportunities for change and enhancement, especially through:

- The consolidation of an existing system of immediate reporting and analysis of accidents, injuries and near misses is consolidated, with standardised methods and defined working groups, in order to identify the root causes of such events and prevent the occurrence or recurrence of accidents
- The presence of a computerised "risk status reporting" system, available on the company intranet, through which company managers, as well as individual workers through the persons in charge, can identify and report any risk conditions present, initiating a system of assigning and evaluating preventive actions and monitoring their effectiveness, so as to ensure a complete and accurate management of actions to improve safety at work.

Managing "near misses" is crucial for preventing dangerous situations that could result in serious accidents.

Emergency management's importance is reaffirmed, seen as the response to critical situations resulting from potentially hazardous events that demand immediate and extraordinary measures to restore normality; this category covers emergencies linked to specific work tasks as well as general crises caused by events like severe weather or natural disasters (earthquakes, floods, tornadoes).
A plan has been prepared for each site, as required by current legislation, which includes an analysis of the main risks, the definition of the operating procedures to be adopted during the various types of emergency, the roles and actions to be implemented by designated, trained personnel and the communication protocols. Obviously, the efficiency of this organisational system is tested through numerous drills involving Piaggio's sites.
All workers, consultants and suppliers entering the Group's plants are obliged to comply with this management system, which provides for internal and external audits on compliance with the procedures adopted.

WORK-RELATED ACCIDENTS[76]

2024	GROUP TOTAL
Hours worked	9,380,001
Lost working days due to work-related injuries and fatalities	710
No. of fatalities from work-related accidents	0
No. of recordable work-related accidents	34
Rate of recordable work-related accidents	3.62
Recordable occupational diseases	0

There were no injuries involving external workers under the operational control of the Group during the year, so the accident rates were 0.

76 The rates for accident data, for all geographical areas, are calculated considering the hours worked by employees during the reporting year and the multiplication factor of 1,000,000.

Italy

In Italy, in line with applicable current laws, Piaggio has put in place a structured organisation, based on seven Employers corresponding to the different company areas, and consequently managers and supervisors who oversee the various organisational units and sites, with the support of Safety Department Managers and Company-appointed Doctors. In addition, the presence of Workers' Safety Representatives at all company sites is widespread and timely.

In 2024, as part of the strategy to continuously consolidate the Company's Safety Culture, the development of an international and interdisciplinary team of "Safety Ambassadors" continued: employees who, through the enhancement of skills and personal abilities, within their operating/management area, represent a reference point for the application of health and safety systems, for continuous improvement and for the involvement and awareness of colleagues.
In 2024, the training programme for all staff on Safety Culture, focusing on behaviour, engagement, and empowerment, was broadened.
In 2024, the Pontedera plant was awarded by the Presidency of the Region of Tuscany as one of the winners of the "Impresa più Sicura" (Safer Enterprise) competition for the project 'The Promotion of Safety Culture: Safety Ambassadors". The project's theme is part of a broader evolution of the Safety concept, demanding more extensive and proactive involvement in prevention across all levels of the company through ongoing dialogue. In particular, fostering active engagement on the matter is a sensitive task, and introducing Safety Ambassadors has been a strategic method to accelerate the cultural shift.

WORK-RELATED ACCIDENTS IN ITALIAN FACTORIES

	PONTEDERA	NOALE AND SCORZÈ	MANDELLO
2024			
Hours worked	3,626,493	714,002	270,727
Lost working days due to work-related injuries and fatalities	577	106	27
No. of fatalities from work-related accidents	0	0	0
No. of recordable work-related accidents	27	4	2
Rate of recordable work-related accidents	7.4	5.6	7.4
Recordable occupational diseases	0	0	0

The aforementioned accidents refer only to Group employees and mainly concern bruises and cuts during the assembly of components or while using small work equipment.

Accidents at country level (Italy) have decreased both as an absolute number and as a frequency index also thanks to specific actions both of a technical and training nature.
Accidents are mostly attributable to behavioural causes such as distraction, inappropriate behaviour, failure to follow procedures.
Regarding external firms working at Piaggio's Italian manufacturing locations, there were no accidents in 2024.
There were no fatal accidents in Italy in 2024.

Own workforce

India

In order to ensure the highest standards of occupational health and safety, the Indian affiliate (PVPL) has an organisational structure that operationally involves the "Employer" – a single employer for the various production sites – who is assigned the responsibility of ensuring the health, safety and welfare of all employees in the workplace, Plant Managers and a 20-member Safety Committee that includes managers, middle managers and office workers. The Safety Committee meets regularly to plan, review and discuss the action plans necessary to establish and spread a culture of awareness and safety among employees in the workplace. The presence of a Health and Safety team ensures that the whole system can function effectively.

In line with the Group's approach, in recent years much has been invested in training as a key factor in increasing employee responsibility in relation to safety and promoting a proactive approach to safety issues (e.g. through the celebration of the Safety Day). The display of Safety information in English and in the local language also helps to create a real safety culture at all levels.

PVPL is committed to ensuring the safety and well-being of employees and their immediate family members, including through the organisation of specific events. For example, a 24/7 medical service is made available at all production sites and, when necessary, an ambulance first aid service is extended to the families of Baramati employees. Initiatives like Safety Week celebrations, workshops, and interactive sessions foster a culture of ongoing learning and involvement.
In 2024, there were no work-related injuries for employees or for external workers under the Group's operational control.

WORK-RELATED ACCIDENTS IN INDIA

	COMMERCIAL VEHICLES PLANT	TWO-WHEELER PLANT	ENGINES PLANT
2024			
Hours worked	1,478,500	246,551	306,695
Lost working days due to work-related injuries and fatalities	0	0	0
No. of fatalities from work-related accidents	0	0	0
No. of recordable work-related accidents	0	0	0
Rate of recordable work-related accidents	0	0	0
Recordable occupational diseases	0	0	0

Vietnam

Piaggio Vietnam has a Safety Committee that includes all company departments, led by the Operations Manager. Committee members must address any safety issues in their area and take appropriate corrective action. The committee meets quarterly to update statistics and oversee health and safety performance.
Regular follow-up audits are planned to promptly inform the committee of any major safety issues or chances for improvement, ensuring swift corrective or preventive measures.
To enforce health and safety measures, we established a streamlined H&S programme featuring regular checks to bolster the improvements pinpointed by the Safety Committee.
All internal and external audits carried out in 2024 were successful. The August 2024 audit of the Ministry of Labour, Invalids and Social Affairs was completed successfully with no issues noted.
To foster a safety culture and highlight the significance of health and safety for the company, we delivered H&S training to all employees and external staff, amounting to over 9,000 hours in 2024.

A channel is available for all employees to promptly report hazards.
In 2024, there were no work-related injuries for employees or for external workers under the Group's operational control.

WORK-RELATED ACCIDENTS IN VIETNAM

2024	VIETNAM
Hours worked	1,790,848
Lost working days due to work-related injuries and fatalities	0
No. of fatalities from work-related accidents	0
No. of recordable work-related accidents	0
Rate of recordable work-related accidents	0
Recordable occupational diseases	0

Indonesia

During 2024, no accidents occurred at the Indonesian plant. In addition, the organisation of H&S activities was also consolidated through the dissemination of a safety culture to increase employee involvement, as well as ensure compliance with relevant regulations.
The commitment to Health and Safety in the Indonesian plant's operations is demonstrated by achieving zero accidents in the year and retaining ISO 45001 certification.

WORK-RELATED ACCIDENTS IN INDONESIA

2024	INDONESIA
Hours worked	143,128
Lost working days due to work-related injuries and fatalities	0
No. of fatalities from work-related accidents	0
No. of recordable work-related accidents	0
Rate of recordable work-related accidents	0
Recordable occupational diseases	0

Reward System and Corporate Welfare

REWARD SYSTEM

Reward policies aim to remunerate people and their contribution according to criteria of competitiveness, fairness and meritocracy, which are shared with transparency in the appraisal processes, in order to motivate and retain human resources that make important contributions to achieving company results.
The Group's reward system is differentiated according to the company population and includes a fixed remuneration component and variable incentive systems for objectives and benefits.
In Italy, since 2021, Piaggio employees have been able to use a digital platform to manage welfare services, where they can select the options provided for by their National Employment Contract and by supplementary company agreements.

TARGET-BASED INCENTIVE SYSTEMS

The achievement of targets set by the company is rewarded through variable incentive systems, focused on qualitative and quantitative objectives consistent with the business, as well as on the internal efficiency of each area of responsibility.
The entire process of assigning objectives and reporting results is shared with the employee according to objective criteria.

BENEFITS

Piaggio offers a benefits package in line with local market best practice and segmented according to organisational logics, which includes, for example:
- the welfare platform (in Italy);
- supplementary health care in Italy or medical check-up services in India and Vietnam;
- company medical/nursing centre in all production sites;
- agreements with local groups and facilities of interest for employees;
- promotion of employee volunteering initiatives (blood donation, participation in charities events).

WELFARE

In Italy, there is a detailed system to improve corporate welfare, offering benefits designed to boost the economic and social well-being of employees and their families. Employees may voluntarily convert their entire performance bonus, or a portion of it, into goods and services offered as welfare benefits.
All Italian factory employees are enrolled in the supplementary health care fund (Métasalute) provided for in the national collective bargaining agreement for the metalworking sector.
Employee health-related facilities/services are also available:
- at Pontedera, at the company medical centre, specialist doctors (ophthalmologist, orthopaedist, pulmonologist, dermatologist, ENT) are available to employees for specialist referrals;
- at Noale/Scorzè and Mandello del Lario, paid leave for specialist referrals outside the company is given to all employees, and a permanent medical/nursing centre is available on site;
- lastly, free flu vaccinations are available at all locations.

The plants in India, Vietnam and Indonesia also have medical/nursing centres on site. In India and Vietnam, medical check-ups are organised for employees and their families.

Protecting the human rights of employees

The Group acknowledges the significance of its responsibility in denouncing any breach of human rights and strives to prevent instances of violence and harassment within its sphere of influence. Piaggio continuously improves and adapts the policies and instrumental controls it has in place to prevent any potential violation that could affect the Group.
Group companies adhere to national and international laws and regulations and carry out their activities in line with the Code of Ethics.
Piaggio considers the proper practice of whistleblowing to be a key component in ensuring the effectiveness of its compliance programmes and is committed to ensuring that all of its activities are conducted ethically and with the highest integrity. All persons in contact with the organisation as part of their work activities play a key role in reporting and preventing violations of laws, procedures and internal policies and in maintaining the highest standards of ethical, moral and legal conduct. For this reason, the Company encourages its employees and anyone who has a working relationship with the organisation to report any suspicions of misconduct, with the guarantee of full confidentiality. No retaliatory measures against the reporting person or persons close to him/her will be tolerated.

During 2024, training on the prevention of sexual harassment was provided in the Indian subsidiary, within the context of compliance with the company's code of ethics.

In 2024, the Group received seven reports of discrimination incidents, including harassment and modern slavery. One of these reports, received through the whistleblowing channel, concerned Piaggio & C. S.p.A., while the others, sent through anonymous e-mails outside the aforementioned channel, referred to the subsidiary Piaggio Vehicles Private Limited ("PVPL"). In particular, five of the latter reports were addressed to Piaggio's top management, while a sixth was sent directly to the subsidiary.
All the abovementioned reports underwent thorough investigation and followed company procedures and regulations. Following these investigations, we found no evidence of labour law breaches, health and safety rule violations, racial discrimination, modern slavery, or workplace harassment.
Despite the assessment to date showing no signs of labour or health and safety breaches, racial discrimination, modern slavery, or workplace harassment, we are still working on enhancing our policies, internal controls, and mitigation measures. These efforts are part of the broader Due Diligence expansion outlined in the "System for responsible business management" section. It should be noted that there were no convictions and/or fines imposed related to serious human rights incidents in the reporting year.

WORKERS IN THE VALUE CHAIN

Existing policies

As shown, the Piaggio Group obtains components from a worldwide network, ensuring both quality and cost efficiency.
Using a double materiality analysis, the company pinpointed potential adverse effects on health and safety, alongside breaches of human and workers' rights within the value chain. These include the suppression of freedom of association, denial of fair wages, harm to well-being, and failure to uphold equal opportunity, diversity, and inclusion principles. Moreover, it was recognised that any instance of these impacts might harm the Group's reputation.
Piaggio has recognised that supply chain employees are the most likely to be impacted within the value chain. Generally, Piaggio doesn't purchase raw materials directly. Instead, it acquires functional assemblies like mufflers, forks, radiators, CVTs, headlamps, instruments, and electronic control units, along with other components and accessories, from external suppliers. Piaggio operates globally, with factories in Europe, America, and Asia. Each facility primarily sources goods and spare parts from local suppliers. The primary countries from which the production sites[77] procure goods were examined for human rights violation risks using the Global Rights Index 2024 (www.ituc-csi.org/global-rights-index), which is developed by the International Trade Union Confederation (ITUC). The tool used refers to numerous databases made available by major international organisations, which assign a risk level to each country. Among the states classified with high risk indices concerning the non-respect of human rights from which the Group sources its supplies are India, Vietnam, Indonesia and China. Piaggio is aware that any failure by its business partners to respect workers' rights could potentially have a negative reputational impact and that prolonged strikes in the upstream or downstream chain could cause a halt in production or sales activities. To deal with this risk, Piaggio requires its suppliers to sign general supply conditions that specifically refer to the Group's Code of Ethics (see the "Code of Ethics" section in the "Information on Governance" chapter) and requires an explicit commitment to comply with laws on the environment, pollution, health and safety and respect for workers' rights, so as to ensure compliance with its ethical values throughout the production and sales cycle of its products.
As set out in the Responsible Supply Policy approved at the beginning of 2025[78] and applicable to all Piaggio Group companies, Piaggio:

<u>During selection, prioritises as much as possible suppliers:</u>
- with a certified Environmental Management System;
- with an Occupational Health and Safety Management System;
- with a Social Accountability Management system.

<u>It absolutely avoids, where known, dealings with suppliers:</u>
- resident in nations banned by national and international political bodies;
- that do not respect human rights;
- that are discriminatory in any way;
- that fail to fully adhere to the laws and international treaties on workers' health and safety and environmental protection;
- that do not respect the applicable rules on the regulation of working time and the free association of their employees.

Responsibility for the implementation of this policy lies with the Executive in Charge of Sustainability Reporting.

77 The analysis did not take into account the purchases of trading companies and research centres as they are residual.
78 The Responsible Supply Policy is published on the company intranet.

Workers
in the value chain

Involvement processes

The Group has not adopted a general process to involve supply chain workers.

Processes to remedy negative impacts

The Group is committed to fostering a culture of integrity among its suppliers. Workers in the value chain who flag potential misconduct or illegal activities are crucial in safeguarding the Group's operations and enhancing societal welfare. To this end, a reporting channel has been set up and is available on the Group website and described in the section "Whistleblowing Channels - Governance Information". The Piaggio Group currently has not got a structured process to assess whether employees in the value chain are aware of the existence of this channel.

Actions and targets

As described in the previous paragraph, Piaggio requires all its suppliers to sign its Code of Ethics, which calls for an explicit commitment to comply with laws on the environment, pollution, health and safety, and respect for workers' rights, so as to ensure compliance with its ethical values throughout the production and sale cycle of its products.

The Group is contemplating ways to enhance the evaluation and selection process for its suppliers, with particular consideration given to their social practices. Furthermore, as previously noted, it is assessing how to broaden its due diligence procedures.
The Group has not yet defined any measurable targets with delineated time horizons.

AFFECTED COMMUNITIES

Existing policies

For Piaggio, the impacted communities are those residing near its manufacturing facilities.
Piaggio has consistently fostered a close bond with its community, aiming to contribute not just economically and productively, but also socially, culturally, and educationally. It champions topics like art, design, culture, communication, and the spread of its core values, including innovation, creativity, ethics, and environmental awareness. Additionally, Piaggio has always been responsive to the needs of areas struck by emergencies, be they health-related or climatic.
The Marketing & Communication Department coordinates community support activities in Italy, whereas in other countries where Piaggio operates, the Area CEO is responsible.
The Group's relations with local communities are regulated in the Code of Ethics. The Group has not deemed it necessary to formulate a specific policy on this issue at present, also in relation to the human rights of local communities.
The Group has designated several contacts at the corporate office that third parties can ask in relation to any report.

Involvement processes

In line with Article 7 of the Code of Ethics, Piaggio aims to boost the economic health and development of the communities where it works by selling products and offering efficient, cutting-edge services. In line with these goals and duties to shareholders and investors, the Company recognises that research and innovation are essential for growth and success. The Company upholds relations with local, national, and supranational public bodies through complete and active cooperation and openness, adhering to current laws, respecting mutual independence, economic goals, and the values outlined in the Code of Ethics. The company values and, when needed, backs initiatives in social, cultural, and educational spheres that seek to enhance personal development and better living conditions.
The Piaggio Group, as reported in the section "Expectations and ways of involving stakeholders - General information", involves local communities through various activities: meetings, exhibitions and events, charity activities, job offers. To prioritise its stakeholders, Piaggio has adopted an approach that informs local communities without actively involving them, for instance, in conducting the double materiality analysis. The following paragraphs provide a more detailed description of the activities conducted with local communities. The Group will review its stakeholder engagement in the coming years, reaffirming or expanding the existing approach.

The Group creates job opportunities in the areas in which it operates. Historically, it has exported its business practices to every country where it operates plants. All Piaggio industrial facilities hold international certifications for quality, environment, health, and safety.

Processes to remedy negative impacts

As part of the double materiality analysis, the Group did not identify any material negative impacts related to the affected communities.

Affected communities

Supporting local communities

Although Piaggio has not defined specific targets, it has always been committed to initiatives that have a positive impact in the communities where it operates.
The Companies Act of 2013 enacted by the Government of India in 2013 stipulated that large companies operating in India must spend in each financial year, at least two percent of the average net profits of the last three years, in compliance with the company's Corporate Social Responsibility Policy and giving priority to local areas adjoining the production site. Schedule VII of the Companies Act 2013 lists the CSR activities that can be undertaken by companies in compliance with the Corporate Social Responsibility Policy: (i) eradicating hunger and extreme poverty; (ii) promoting education; (iii) promoting gender equality and empowerment of women; (iv) reducing child mortality and improving maternal health; (v) combating HIV, malaria and other diseases; (vi) ensuring environmental sustainability; (vii) promoting employment and improving professional skills; (viii) social entrepreneurship projects; (ix) contribution to the Prime Minister's National Relief Fund or any other fund established by the central or local governments for socio-economic development.
Piaggio Vehicles Private Limited (PVPL) has focused its commitment on social projects generally in the areas of water and sanitation, education, and women's empowerment, chosen on the basis of preliminary research carried out internally on the needs of the area surrounding the plant. A dedicated committee, comprising members of the company's Board of Directors, selects the projects for development.

FONDAZIONE PIAGGIO[79]

In 2024, the Piaggio Foundation marked its 30th year. This significant milestone provided a chance to consider the journey so far and the attainment of objectives the Founding Members set in 1994, as well as those for the near future. Founded to show that business, land, and culture can coexist and create significant synergies, the Piaggio Foundation, through its Historical Archive and Museum, has over the years successfully honoured and celebrated not only Piaggio's history and the region that supported its growth but also the stories of the many individuals who devoted their careers to the firm. Over time, this function as a "historical and celebratory memory" has been complemented by an increasingly significant role as a hub for social gathering and cultural advancement. Today, the Piaggio Foundation stands as a key cultural beacon in Tuscany, known as a vital hub for education and a cradle of fresh ideas. It's a space where creativity thrives and where values and knowledge are imparted. A company and its surrounding area can grow through the cultural development of their workers and residents. This belief has guided the Piaggio Foundation's work over the years and will continue to shape its future efforts.
In the past year, the 30th anniversary of the Piaggio Foundation was joined by two other particularly important anniversaries: the Piaggio Group celebrates 140 years since its founding and marks a century of its presence in Pontedera. Pontedera was also the venue for an event of international significance: the Vespa World Days, a global assembly of Vespa Clubs, took place in Tuscany for the first time.
These anniversaries and events have greatly shaped the Piaggio Foundation's activity schedule, as the Piaggio Museum has become the symbolic and central venue for numerous rallies and festivities in the region. Despite this remarkable dedication, the Piaggio Foundation once again welcomed numerous conferences and debates on science and culture, arranged three exhibitions, upheld the music festival, the literary festival, the literary award, and the educational initiatives.

79 It should be noted that information on the Piaggio Foundation, an entity not included in the Group's scope of consolidation, constitutes qualitative aspects that are useful for understanding the focus on the social context, even though this information is not included in the scope of consolidation.

Affected communities

PIAGGIO MUSEUM

In 2024, visitor numbers at the Piaggio Museum neared 90,000, far exceeding those before the pandemic. To this figures are added the virtual visits, estimated at about 10,000, consistent with the numbers from 2023. The Vespa World Days saw a significant turnout, attracting over 17,000 visitors in four days despite the entry restrictions enforced for safety.
In preparation for a steady rise in visitor numbers, additional funds will be allocated in 2024 to enhance the museum's galleries and make them more accessible.
Two new offices dedicated to the Vespa World Club and the Historical Vespa Registry were built, inaugurated on the occasion of the World Vespa Days, and the space outside the Museum was reorganised with improvements to the green areas and the decor of the forecourt.

PIAGGIO HISTORICAL ARCHIVE

In 2024, the Piaggio Historical Archive liaised with different Piaggio Group divisions, offering historical and iconographic guidance. The Historical Archive played a crucial role in the celebrations of the company's 140th anniversary, particularly in revamping the history section on the Piaggio Group website (https://www.piaggiogroup.com/en/group/history).
The selection of images for the Vespa World Days communications in Pontedera was equally vital, significantly engaging the Archives.
As far as external activities are concerned, the Archive collaborated on the selection of images for two important exhibitions organised by the Ministry of Enterprise and Made in Italy:
- "Identitalia, The Iconic Italian Brands" - Rome, Palazzo Piacentini, 13 February-6 April 2024: dedicated to the most important Italian historical brands on the occasion of the 140th anniversary of the Italian Patent and Trademark Office;
- "Innovating for the Future", set for the final days of October and early November, honours historic patents. This event coincides with the 140th anniversary of the Italian Patent and Trademark Office.

The Archive contributed texts and images to the following exhibitions:
- "Italy Sixties. Art, Fashion, and Design from Boom to Pop", organised by the Regional Entity for Cultural Heritage of Friuli Venezia Giulia (Gorizia, Attems Petzenstein Palace, 29 June-27 October 2024);
- "Italy, the Land of Blossom," showcased at the Italian Pavilion during the Shanghai EXPO, celebrates Italian design from 27 September 2024 to 25 February 2025.

The Archives worked together to choose images and write texts for the "La Vespa e il Cinema" exhibition. The Piaggio Foundation, in partnership with Promocinema, organised this event. It took place at the Rinascente on Via del Tritone during the Rome Film Festival, from 16 October to 5 November 2024.
As usual, the Archive also helped students, scholars and journalists writing of term papers, dissertations and publications in their research.

Affected communities

CULTURAL PROJECT

The Piaggio Foundation's Cultural Project was again a great success in 2024, making a decisive contribution to bringing the public to the Museum and attracting many new visitors, also thanks to the new features in the programme.

EVENTS AND CONFERENCES ORGANISED AT THE MUSEUM

2024

90	8
Organised by the Piaggio Foundation in collaboration with institutional and private partners	Organised by Third Parties

VESPA WORLD CLUB

In 2006, on the initiative of the Piaggio Group and the Piaggio Foundation, the Vespa World Club, a non-profit association, was founded; this organisation is a way for Piaggio to directly follow the management of Vespa Clubs in order to preserve the fleet of vintage Vespas still in circulation, to support collectors in researching and restoring these vintage vehicles and to continue to organise tourist rallies and exciting races in Europe and around the world, guaranteeing Vespa fans a high quality event.
The mission of the Vespa World Club is to:
- promote initiatives for the coordination of social, tourist, sporting and competitive activities;
- set up representative bodies of National Vespa Clubs at all national and international venues and organisations;
- organise trophies, rallies, competitions, exhibitions, congresses, conferences and meetings;
- look after and protect the interests of members;
- promote and implement safety, education, road traffic behaviour;
- promote studies and historical research on the relationship between the Vespa and local territory;
- assist interaction between the company and enthusiasts.

2024 was the year that confirmed the positive trend, with a packed events calendar. Among the events organised over the past year, we can highlight the most significant:

- **Aperigiro:** The event was a resounding success, with around fifty Apes boldly navigating the Apennines on 16-17 March and journeying along the scenic Cinque Terre route to La Spezia.
- **Vespa World Days Pontedera:** This year marked the inaugural Vespa Club World Gathering in Pontedera, coinciding with the company's 140th anniversary, the Pontedera plant's centenary, and the 70th year of the Club's meetings, which started as a Vespa criterium, evolved into EuroVespa, and are now known as Vespa World Days. A record-breaking edition featuring 56 countries, 8,300 participants, and over 15,000 daily attendees across the event's four days. The company is highly engaged, offering tours, a shop in the Vespa Village for test riding models, and an on-site workshop for customer service. A record-breaking Saturday morning parade, with its 19.7 km chain of Vespas, was met with joy by the people of Valdera.
- **VESPA TROPHY:** The Vespa Trophy is a touring trophy linked to the Vespa World Days. The event covers the whole of Europe. The 2024 Vespa World Days concluded in Pontedera, Italy.

Affected communities

- **The Gymkhana World Championship**, part of the Vespa World Days in Pontedera, revived the traditional 1950s and 1960s Gymkhana within the event's programme.
- **European Vespa Rally Championship:** Sixteen Vespa Clubs from Austria, Germany, Hungary, and Italy participated in the event.
- **EUROPEAN VESPISTI WEEK:** presence at the European Vespisti Week rally in Montegrotto Terme (PD). Tourist rally in the Euganean Hills organised by VC Italia.
- **APE ABC:** in collaboration with the Ape Club Italia Board, Piaggio Commercial arranged the inaugural Ape Historical Register Event over the weekend of 20-21 September. A, B, and C are actually the chassis prefixes denoting the first three models of the compact vehicle from Pontedera.

MOTO GUZZI WORLD CLUB

The Moto Guzzi World Club was established in 2002 with the aim of:
- promoting interest, knowledge and safeguarding the historical value of the Moto Guzzi trademark and the motorcycles it produces;
- creating and developing links among owners of Moto Guzzi motorcycles;
- organising events, meetings, conferences, competitions;
- disseminating national and international motoring tourism, enhancing and rediscovering local tourist itineraries thanks to the activities carried out and information exchanged among members;
- creating and developing links with non-profit organisations or other sports and non-profit associations that carry out social, humanitarian, environmental protection, etc. activities that can be helped by initiatives promoted by the association in the motorcycle industry or other sectors;
- developing relations with the parent company and coordinating its own and its members' activities with those of other national and international brand clubs.

Today, after over 20 years of operation, the Moto Guzzi World Club boasts not only direct members and affiliated clubs in Italy but also recognised clubs across Europe, America, Asia, and Australia.

Two rallies were organised directly by the MGWC:
- "Moto Guzzi World" (April/San Benedetto del Tronto);
- "Mediterranean Area" (June/Corfu).

We must highlight the traditional "Guzziata di Natale" (Christmas Guzzi) event, organised by the Moto Guzzi Club Capo di Leuca. This year marked its 15th occurrence, taking place from 13 to 15 December.
On this occasion, Guzzisti from Italy and Europe, in addition to the usual rally activities, take part in charity work. They support the Socio-Rehabilitation Community of the Trinitarian Fathers in Gagliano del Capo (LE), assisting more than 50 individuals with various disabilities.
The Moto Guzzi World Club also supports its members' track activities at events hosted by the FMI, known as "CIV Classic". The club has arranged for a pit box to be rented at each scheduled round.

MOTO GUZZI FAST ENDURANCE TROPHY

The sixth Moto Guzzi Fast Endurance Trophy took place from May to October 2024.
The event, organised by FMI, was dedicated to the Moto Guzzi V7 III (850cc), fitted out with a special kit created by Guareschi Moto, the long-established dealer considered a specialist in fitting out racing vehicles.
The kit featured the windshield, side number plates, handlebar halves, raised floorboards, front mudguard, underpan, front suspensions, rear suspensions, control unit, brake pads and single seat.
The championship consisted of six races held at the main Italian motorbike circuits over four separate weekends.
The formula envisages teams of two riders taking turns every 15 minutes, with the duration of the races ranging from 60 to 90 minutes depending on the circuit.
A total of 22 crews participated.

Affected communities

MOTO GUZZI - OPEN HOUSE 2024

The Moto Guzzi Open House took place, following tradition, in Mandello del Lario from 12 to 15 September. Despite major expansion work at the construction site, the 30,000 attendees were assured the chance to visit the Museum and the Wind Gallery, and "The Clan" Community members could collect their gadgets.
Thanks to the active cooperation of Mandello's local council, we managed to relocate many activities, previously held inside the factory, to external areas.
The shop and its display were actually located in front of the red entrance gate.
The railway station car park hosted vehicles and amenities for the Test Ride of the V100, Stelvio, V85, and V7, allowing over 1,200 enthusiasts to try out the different models.

APRILIA ALL STARS - 2024

On 8 June 2024 more than twenty thousand enthusiasts from all over Italy and Europe arrived in Misano to celebrate Aprilia, its bikes, its riders and its history. The 2024 Aprilia All Stars edition was a resounding success, outshining the impressive figures of past events.
Numerous stars gathered to celebrate the most successful Italian and European MotoGP manufacturer, boasting 298 Grand Prix wins.
Today's champions, Maverick Viñales, Aleix Espargaró, Miguel Oliveira, and Lorenzo Savadori, were accompanied by true legends like Max Biaggi, Loris Capirossi, Alex Gramigni, and Mattia Pasini.
In the grand finale parade on the track, nearly every model from the Venetian maker was on display, ranging from the 1970s off-roaders to the iconic 125 sports cars of the 1980s, the twin-cylinder superbikes, motards, and up to the latest RSV4, Tuono V4, Tuareg, and the inaugural RS 457.

CHARITY ACTIVITIES

During 2024, the Group implemented Charity projects amounting to approximately 480 thousand euros.

An analysis of the projects funded in 2024 is given below:

- The collaboration between the Piaggio Group and (RED) – an association founded in 2006 by Bono and Bobby Shriver – continued. Thanks to the help of partners and supporters, the project generates funds to combat AIDS and pandemics (the contribution made by Piaggio in 2024 was $200,000). In addition, during the Aprilia All Stars event, held every year at the "Simoncelli" circuit in Misano, five Aprilia scooters, autographed by MotoGP riders, were donated to (RED), which were then auctioned through the Charitystars platform;
- the Telethon project in funding biomedical research into rare genetic diseases was supported through the donation of a vehicle (Vespa Primavera 125) and a cash donation of €10,000;
- the IOM (Istituto Oncologico Mantovano) was supported in its mission of social solidarity with the donation of a Liberty 125 vehicle, providing support in health and social care for cancer patients and their families;
- an electric Vespa has been donated to the Laureus Foundation, which develops sports programmes to support children and young people in vulnerable social and economic conditions;
- the Carabinieri Corps Marshals and Brigadiers School was supported by donating a vehicle (Aprilia SXR 50 SPORT), which was the top prize in their Christmas raffle.

The Indian and Vietnamese subsidiaries have also always been active in social work, supporting and promoting charitable initiatives.

Affected communities

In particular, during Tet, Piaggio Vietnam donated 100 sets with basic necessities worth around €3,000 to as many needy people in Binh Xuyen district, where the factory is located, and provided support and assistance to 17 employees in need. The affiliate also takes care of more than 100 orphaned and disadvantaged children at the orphanage and delivers necessary goods worth €1,500. In addition, in 2024, Piaggio Vietnam organised a blood donation initiative for the first time, in which over 120 employees participated.
In 2024, Piaggio Vietnam engaged in numerous initiatives with universities to motivate and strengthen the youth. The company sought to equip young people with hands-on skills, career advice, and firsthand professional experience, inspiring them to forge a promising future through a sequence of impactful events. Among these efforts, Piaggio Vietnam successfully organised two interesting job interviews focused on providing students with perspectives on two highly relevant fields: human resource management and supply chain management. More than 600 students took part, turning these events into a priceless opportunity for learning and engaging with field experts. Piaggio Vietnam organised not only job interviews but also a factory tour for six groups of students, totalling over 200 individuals, from both national and international universities. These visits provided students with firsthand understanding of Piaggio's innovative methods, high standards, and professional setting, sparking their ambition for future careers at Piaggio.
Piaggio Vietnam supports employees who want to do voluntary work. The total number of working hours that employees devoted to organising and participating in voluntary activities for the community was more than 500.

Charity activities are carried out in India within the framework of the rules dictated by the Company Act of 2013 enacted by the Government of India, which has been fully disclosed in the preceding pages.

Piaggio Vehicles Private Limited (PVPL) has focused on skill development, education, community health, and environmental care to foster sustainable growth in the communities where it works. PVPL's structured and scientific approach to CSR is based on the following principles:
- empowering and equipping neighbouring communities with greater skills, knowledge and access to resources;
- identify projects based on needs, tackle local social issues, and address highly important and relevant causes using suitable tools like surveys or participatory assessments;
- involve stakeholders directly or through partners to design, develop and implement CSR programmes;
- work in tandem with government programmes in in line with PVPL's CSR objectives;
- ensure the approach is project-based, with a clear end date and exit strategy.

The projects developed by the Indian affiliate during 2024 were as follows:

Skill development

a. Production of greeting cards:
the greeting card trade provides many benefits for rural schools. PVPL staff taught arts and crafts to all 35 pupils at ZPPS More Wadi School in Baramati. This craft workshop provided a valuable chance for volunteers to engage with rural school pupils, fostering creativity, excitement, self-expression, happiness, and the growth of crafting abilities.

b. Sporting event:
a Kabaddi sports event[80] was organised at a rural school in Baramati to bolster teamwork, foster goal-setting abilities, and sharpen memory, concentration, rapid focus, and decision-making. A total of 70 students, both boys and girls, took part in the Kabaddi event. PVPL staff played an active role in organising this sports event at ZPPS Medad School in Baramati.

c. Lantern-making workshop:
the goal is to foster an interest in education among rural students and encourage them through skill-building and artistic expression. Additionally, the workshop seeks to highlight the benefits of choosing eco-friendly products. Sixty-four students from ZP School Rui in Baramati took part with enthusiasm.

80 It is a team contact sport that is practised 7 against 7.

Affected communities

d. Food and clothing for the elderly:
sixty elderly residents at Swami Niwas retirement home were given vital food and clothes. This initiative gained support from the active participation of five committed employees who visited the nursing home. Their efforts not only met the basic needs of the elderly but also nurtured a sense of community and care among the residents. The supply of these essential needs has been instrumental in enhancing the quality of life for the elderly, showing that a communal endeavour can assist and uplift this susceptible portion of the population.

Education - scholarship programme

a. Project: "Shiksha Se Samriddhi":
PVPL set up 75 scholarships for the children of community rickshaw drivers.

b. DAAN UTSAV - The joy of giving:
Piaggio celebrated "Daan Utsav", India's festival of giving, held annually nationwide from 2 to 8 October. Sixty-one PVPL staff members joined the celebration, giving educational supplies to children in need.

Well-being of the community

a. Health field:
in collaboration with D.Y. Patil Hospital in Pune, a general medical check-up was held at the state school in Baramati. Paediatricians, ENT specialists, ophthalmologists, and gynaecologists examined 65 girls. The camp's goal is to raise health awareness among adolescent girls, who are the daughters of sex workers, and to offer them essential health services and medication.

b. Voluntary blood donation:
the partner for this initiative is the Gholap Blood Centre located in Pune. 51 employee volunteers generously stepped forward to donate blood. These employees' engagement shows a keen sense of social duty and a readiness to positively impact the community's health and well-being.

Environment

a. Planting trees:
With this initiative, PVPL aims to positively contribute to environmental protection and foster a sense of responsibility for nature. In partnership with the Swanand Jankalyan Pratishthan, we planted 10 trees in the Veer Baji Pasalkar Butterfly Garden, a place selected for its ecological importance, particularly because of the flowering plants that draw butterflies.

b. Wall painting in slums:
The Pune-based Swanand Jankalyan Pratishthan is spearheading a volunteer project where employees paint slum walls, especially in Annabhau Sathe Vasahat, Pune. The primary goal of this initiative is to enhance the vibrancy and overall mood of the slum community by turning decrepit walls into vibrant and significant art pieces. This artistic endeavour aims to foster pride and a sense of belonging in residents, especially children, who will enjoy a more attractive environment.

CUSTOMERS AND END-USERS

Piaggio's direct customer is its distribution network. Piaggio has its own sales network in the main markets of Europe, America, India and Asia Pacific, while it operates through importers in the remaining areas of EMEA and Africa.
The sales network is the key to building and maintaining trust with customers in our primary markets. It serves as the main channel for customer relations and conveying the company's image.
Dealers are true partners for Piaggio, essential for growth and guaranteeing customer satisfaction. Dealer management relies on trust, fairness, transparency in contractual obligations, politeness, and collaboration.
In addition, to ensure that the logic of customer centricity persists at all stages of the sales process, the network is guided in a two-fold manner: on one hand, we adhere to the principles outlined in our corporate procedures, the Code of Ethics, available on www.piaggiogroup.com, and on the other hand, we are committed to continually updating our knowledge and understanding of the Group's new offerings. This includes how we engage with customers and any changes in regulations or product details.

Policies related to consumers and end-users

As set forth in the Code of Ethics, Piaggio strives for excellence in the products and services it provides, with careful consideration of customer needs, and is dedicated to fulfilling their requests with the greatest level of attentiveness. The objective is to ensure a prompt, skilled, and proficient response to customer needs, aligning our conduct with the principles of integrity, politeness, and collaboration.
Within the framework of the ISO 9001-certified Quality Management System, which is in place across all Group locations, Piaggio has embraced a Quality, Environment, Occupational Health and Safety Management Systems Manual[81] . This manual directs the company's efforts towards enhancing the quality and reliability of its products. Such improvements are characterised by adherence to standards and specifications, user-friendliness, ease of maintenance, and the sustained performance and functionality over the product's lifespan. A review of the Management Systems is conducted periodically, taking into account the degree to which stakeholder expectations are being met. The application of the Manual is delegated to the Quality Systems Manager.
Piaggio oversees the quality of the distribution process to ensure reliability, transparency and continuity of service throughout the product life cycle. Innovation is a crucial driver here, leading to the streamlining of operational tasks and, more importantly, the launch of new services for dealers and customers. This is enabled by technological advances and an ongoing overhaul of interaction processes to ensure simplicity and transparency.

81 The Manual is published on the company intranet.

Our business partnership thus relies on a suite of tools like the Dealer Portal and the Marketing Portal, designed to ensure a steady and direct exchange of information from the Piaggio Group to the local area. Efforts to enhance dealers' knowledge and skills through frequent gatherings, such as Road Shows, Dealer Meetings, and technical training, should also be taken into account. The Code of Ethics mandates the duty to uphold the human rights of clients and to provide comprehensive and accurate information regarding both the inherent and additional qualities of the products supplied.
The Group shares details of its vehicles on its commercial and institutional websites, as well as through campaigns and promotional materials. The Group has established a stringent control system to guarantee the accuracy and comprehensiveness of information released to the public. This is to reduce the risk that any dissemination of partial or false details concerning the sustainability attributes of products – such as potential instances of greenwashing related to the percentage of recycled materials, battery usage, and so on – could lead to adverse effects on our reputation. Please refer to the section on "Privacy" in the "Governance Information" chapter for policies on respecting customers' right to privacy.

Involvement processes

The Piaggio Group, as reported in the section "Expectations and ways of involving stakeholders", has identified two categories of stakeholders in this downstream phase of the value chain: End-users; Dealers/Importers.
While direct customers and dealers are mainly involved via the Dealer Portal, end-users have multiple channels of involvement: – Contact center, Customer satisfaction surveys, Communication channels (websites, social media), Events, Motoplex. Piaggio has adopted a proactive approach to engaging stakeholders, whose contentment is essential for the company's success and ongoing expansion. This paragraph provides full details of the current activities.
Customer and end-user relations responsibilities are split based on expertise among Marketing and Communication, Product Development and Marketing, and Manufacturing.

DEALER PORTAL

The Dealer Portal serves as the daily link between the company and its dealers, maintaining contact beyond in-person or phone interactions.
For years, the Group has modernised the Dealer Portal, a key communication channel, to facilitate a two-way flow of information. This portal provides access to applications, data, and technical and commercial documents essential for market engagement, all in line with real-time, agreed standards and criteria. Access is tailored to the profile given to the licensee in the concession agreement.
In particular, the Dealer Portal allows the dealer to:
- find out about product promotions and sales tools;
- real-time access to technical, commercial and administrative documentation;
- know and train staff on how to maintain products and manage customers;
- disseminate institutional information, press releases, and current activities.

CUSTOMER RELATIONSHIP MANAGEMENT AND DIGITAL MARKETING

Piaggio has developed and refined a customer feedback platform, active in key markets where its products are sold, to grasp evolving customer expectations and evaluate the success of its initiatives.
The main listening activities are carried out through:

- We collect data on our brand websites when you fill out forms to book services like test rides and dealer visits, request quotes and finance, or ask for more details, such as brochures. Once we have completed the forms and received the data in our systems (CRM), we provide the services requested by Piaggio or the dealers. In certain markets, a Business Development Centre (BDC) brokers customer relationships, managing clients to enhance service;

Customers
and end-users

- Direct mailing activities: e-mails are sent to our customers or to individuals interested in our products or initiatives, either automatically or manually. These activities are carried out in compliance with the GDPR;
- Studies and market research: we interview our customers at our major events (EICMA, Moto Guzzi Open House, etc.) to gauge their appreciation for our products and brands. Other interviews are conducted using online or phone surveys to gauge satisfaction at different stages of the customer journey, such as visiting the dealership or taking a test ride.

The Business Development Centre (BDC) is the unit that manages prospective clients professionally, aiming to qualify them and enhance the "drive to store" process.
Customers visiting the Piaggio Group websites (Aprilia, Moto Guzzi, Piaggio, and Vespa) can pick their desired vehicle, find their closest dealer, and book an appointment by completing a form online. These requests feed into the Piaggio Group's Lead Management Platform system.
The BDC has dedicated access to this platform and can see all individual requests divided by channel: test rides, appointments, information, configurations, quotations, bookings. Piaggio's headquarters, markets, and dealerships all have access to the platform.
The BDC calls customers within 1-2 days of the arrival of the request. Attempt to contact the customer twice, on separate days and at varying times, to arrange an appointment or a test ride.
During the "welcome call", delivered in Italian, French, Spanish, German, English, Dutch and Flemish – depending on the markets involved in the project – the BDC first performs a customer profiling and then asks potential customers some questions about:

- Product engagement
- Specific needs for financial services
- Information on used vehicles (part-exchange)

Following this initial contact, all potential customers genuinely interested in our brands and/or products will be directly managed by the dealer, benefiting from the segmentation work performed by the BDC.
7-14 days after the in-store visit, the BDC rings customers for a follow-up to learn why they declined or to gather other feedback such as product design, cost, dealer satisfaction, test ride impressions, and so on.

All research reports are uploaded to a dedicated SharePoint portal to share the surveys within the company. Access the portal via a dedicated link with user-specific logins and passwords tailored to each organisational unit and relevant market.

MAIN INDICATORS USED BY PIAGGIO TO MONITOR THE CUSTOMER EXPERIENCE

	ANALYSIS SCOPE	
	BRAND/PRODUCT	SERVICE
Net Promoter Score Index	X	X
Loyalty - Willingness to repurchase/use the same office again	X	X
Net Satisfaction Score Index	X	X
Defect rate perceived by the customer	X	X

Processes to remedy negative impacts

The success of the company depends on its ability to respond to customer's needs.
Piaggio is committed to preventing product quality and safety issues by implementing a robust and structured quality management system, certified to ISO 9001 standards.

To mitigate the risk of product defects that could tarnish its reputation, the Group has established a dedicated structure for engaging with customers, addressing their needs and resolving their issues.

Customers and end-users

CUSTOMER SERVICE

The Piaggio Group is dedicated to meeting the needs of its customers or prospective customers by ensuring a skilled and knowledgeable response, guided by the principles of integrity, politeness, and collaboration. The Piaggio Group Customer Service is in different markets via dedicated contact channels, typically found in the "contacts" section of its websites. The Piaggio Group acknowledges the importance of safeguarding personal data and is dedicated to preserving privacy by ensuring data protection in line with its privacy policy.

You can reach Piaggio Group Customer Service via the contact methods provided in the "contacts" section of the Group's website (https://piaggiogroup.com/en/contacts).
Customer service contact options vary by brand and by language or market. For the markets in Italy, France, Germany, the UK, Spain, Belgium, the Netherlands, and Luxembourg, customer service is provided in the local language from Italy. It can be accessed via toll-free numbers, which vary by brand, or through contact forms on the respective brand websites.
The Group provides customer service contact options for customers in China (https://piaggio.cn/customer-care/), NorthAmerica https://www.vespa.com/us_EN/customer-care/), Vietnam (https://www.piaggio.com/vn_EN/customer-care/), Indonesia (https://piaggio.co.id/en/contact), and India (https://vespaindia.com/contact-us). You can find these on the "contact" section of each website. In markets where an official importer sells the Group's products, that importer handles Customer Care management.

End-users are made aware of the aforementioned contact channels via the sales network and through the documentation provided at the time of purchase.
Most calls to contact centres are resolved instantly. Other requests are diverted by the contact centre directly to the network and/or to the relevant company functions.
Reports of product quality problems coming from the Market/Customers are directed to Technical Support, which will immediately inform the Product Development Department and, if necessary, Legal and Corporate Affairs.
The Product Development Department will carry out and coordinate a preliminary analysis and, if the reported quality problem raises concrete and relevant risks, will immediately convene the Committee to identify a timely action plan.
In other cases, quality problems that prove to be well-founded will be investigated and presented at the monthly Committee meeting.

DIGITAL PRESENCE

The introduction of new technologies has significantly altered the way consumers buy products. Digital channels play a crucial role, with market studies showing that most consumers visit dealerships after researching and gathering information about their preferred model online. Information provided from external sources, whether commercial or technical, is verified by the relevant departments for accuracy and completeness.
The Group oversees the quality of service delivered by its sales network through research conducted by expert third-party companies.

MARKETING PORTAL

The Marketing Portal keeps the Dealer regularly updated on marketing and communication resources and activities, ensuring consistent brand representation at the local level.
The tool, linked via a unique authentication system to the Dealer Portal and therefore with customised access according to the brands handled, allows the dealer to:
- access to promotional communication campaigns made available by the Group in line with company policy;
- customise these campaigns according to territorial needs, while maintaining consistency with company guidelines;

- access content for point-of-sale materials, product brochures, and stationery (such as letterheads and business cards), directly handling orders for the required quantities for their business;
- access to product details, including photos of the available selection, sales guides, and corporate and promotional videos.

Additionally, the Marketing Portal enables the company to track how dealers use these materials by providing straightforward access to real-time statistics and details on the platform.

Interventions on major impacts

DEALER MEETINGS AND TRAINING

Training and sales network meetings are a staple in the Group's activities. Examples include local dealer events (road shows), specialised workshops, pilot trials with dealer panels for new initiatives, and, importantly, technical training. These events are also an opportunity to inform the network of technical innovations, mainly in the areas of safety, emissions and performance, introduced on new models. The aim of these activities is to ensure that the Group and its dealers' initiatives effectively become customer management practices that build loyalty and boost the Group's market reputation.
The Group also champions responsible sales practices, ensuring transparency, thoroughness, and accuracy in the information given to customers throughout the relationship.

CUSTOMERS

The Piaggio Group has always prioritised customer needs and satisfaction. From this customer-focused viewpoint, our entire organisation strives to ensure that the Group's innovation, history, and tradition translate into delivering the finest products and services to end consumers.
The most effective tools for building a trusting and enduring relationship with customers are the Customer Opinion Survey and Customer Service initiatives.
Listening to customers, integrating their needs into the business, and steering the organisation towards meeting them is the role of the customer experience function. Quality and reliability are crucial for scooters, motorbikes, and commercial vehicles. They are key not only to customer satisfaction but also to safety.
The pursuit of continuous quality improvement of its own production systems and those of its suppliers and a careful audit of outgoing quality, combined with an effective product traceability system and components, are essential to guarantee the reliability of Piaggio vehicles.
In order to continuously improve the quality of its vehicles and perceived comfort, Piaggio has a detailed, precise, robust and binding product development process, a careful and scrupulous auditing of outgoing quality from a customer perspective and an effective product and component traceability system, constantly strives for excellence in the management of both internal and external production processes, and constantly monitors data from the service network on problems encountered by customers.
Additionally, the Group has functions committed to ensuring the reliability and safety of all products, both new and existing, from initial design through to their release. The tests go beyond laboratory work, encompassing on-road trials with various scenarios tailored to reflect how customers actually use the vehicles. During 2023, the Piaggio Group implemented an additional project on Italian plants aimed at digitising and capturing anomalies detected on the line and subsequent vehicle repair actions. The collection of information relating to the problem that has occurred contributes to the creation of a daily report and the creation of work teams aimed at attacking the anomalies detected in order to reach a 90% "good right away" percentage (vehicles that can be approved, i.e. that can be sent to the warehouse for shipment to the network).
The Group is confident that the measures implemented to uphold product quality, as well as to address any potential impacts and risks concerning customer and end-user safety, fully align with Piaggio's internal goals. Key performance indicators (KPIs) internally monitored concerning product defects, especially those related to safety components, demonstrate that we meet the highest quality standards in the market.
Regarding the impact and associated risks of potentially disseminating incomplete or unclear information about product characteristics, Piaggio aims to guarantee honest and transparent communication.
No human rights incidents related to customers and end users were reported.

Customers
and end-users

Targets

At present, the company has not set any public quantitative targets.


Vespa®
by
THE SEA

GOVERNANCE INFORMATION

For an in-depth and detailed analysis of Piaggio & C.'s Corporate Governance system, please refer to the Report on Corporate Governance and Ownership Structure for the year ending 31 December 2024, available on the website www.piaggiogroup.com in the Governance section.

EXISTING POLICIES

The Parent Company Board of Directors plays a key role in the Company's organisation, overseeing functions and responsibility for its strategic and organisational guidelines, checking the existence of controls necessary to monitor the performance of the Group.
In accordance with Article 18.1 of the Articles of Association and the Board of Directors' Regulations ("**BoD Rules**"), the Board possesses full authority to manage the Company. To achieve this, it may adopt resolutions or carry out any actions it considers necessary or beneficial for realising the company's objectives, except for those matters that, by law or under the Articles of Association, are exclusively allocated to the General Meeting of Shareholders.
The Company does not make contributions, provide advantages or other benefits to political parties and workers' trade union organisations, nor to their representatives or candidates, subject to compliance with applicable legislation.

Code of Ethics

Since 2004, Piaggio & C. has implemented a Code of Ethics in accordance with the Organisational Model required by Legislative Decree 231/2001. The Director of Legal & Tax is responsible for its enforcement.
The Code of Ethics was last updated and approved by the Board of Directors in 2023 with the introduction of new articles dedicated to the following topics: antitrust and competition; protection of personal data; ESG; whistleblowing.
The Company is dedicated to acknowledging and upholding the principles that safeguard globally recognised human rights, as articulated in international treaties. These include the United Nations Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work, and the principles set forth by the International Labour Organisation: in particular respect for personal dignity, the rights of the person and the prohibition of all forms of discrimination.
These principles, already present in the company as they are a part of the Code of Ethics, have been made explicit, in order to bring the code into line with the social and ethical values inspiring the Piaggio Group's activities.
In addition, the Company annually issues a Modern Slavery statement, aimed at ensuring that the Group's activities comply with the regulations of the Modern Slavery Act 2015 enacted by the UK Parliament, compliance with which is required of all companies operating in the United Kingdom.
The Code of Ethics, available on the Company's website (www.piaggiogroup.com/Governance), is in force at all Group companies and clearly and transparently defines the principles and values inspiring the entire company organisation:
- compliance with the laws of the states where Piaggio operates;
- rejection and condemnation of unlawful and improper behaviour;
- prevention of violations of the law, a constant search for transparency and fairness in business management;
- the pursuit of excellence and market competitiveness;
- respect, protection and enhancement of human resources;
- the pursuit of sustainable development with respect for the environment and the rights of future generations.

The Group's Code of Ethics defines the ethical and social responsibilities of each member of the company's organisation. In particular, the ethical and social responsibilities of executives, middle mangers and

employees, as well as suppliers, are stated, to prevent irresponsible or unlawful behaviour on the part of those acting in the name of and on behalf of Group companies.
The HR department provides all employees with the Code of Ethics upon recruitment to ensure adherence.
Piaggio also requires its suppliers to sign general supply conditions that specifically refer to the Group's Code of Ethics or require an explicit commitment to comply with laws on the environment, pollution, health and safety and respect for workers' rights, so as to ensure compliance with its ethical values throughout the production and sales cycle of its products.
As of now, in relation to the effects of tackling both corruption and bribery, the Group has deemed the measures outlined in the aforementioned Code of Ethics to be suitable for its scale and circumstances. A specific policy consistent with the UN Convention against Corruption is being considered.

Whistleblowing channels

In line with its continuous dedication to enhancing corporate governance and to guarantee a transparent and inclusive work environment, the company offers its employees an internal whistleblowing channel, which can be accessed online at https://www.piaggiogroup.com/en/governance/ethical-code for a dedicated and secure whistleblowing channel. You can use it to report legal breaches, procedural and internal policy violations, or to flag potential risks. Each report is treated with the utmost confidentiality, ensuring the protection of the identities of the reporter and those involved throughout the process. The mechanism ensures a prompt analysis of the case and, if needed, the implementation of suitable corrective actions.
The company guarantees the transparent and efficient distribution of information about this tool via a comprehensive global corporate policy and a training programme, with the objective of encouraging responsible and secure reporting practices.
Additionally, an internal monitoring system has been set up to track the progress of reports and corrective measures, promoting continuous improvement and a company culture that values human rights and dignity.
Under current law, it's important to note that the company's whistleblowing channel does not apply when the whistleblower acts solely for personal reasons or has complaints about their employment relationship with managers. In these situations, employees should contact the usual HR channels to have their concerns reviewed following the company's standard procedures.
Remember to report health, safety, and environmental issues through the proper internal channels. This is for specificity of subject matter and to ensure prompt feedback.
In line with the UK Modern Slavery Act 2015, the Group issues an annual report detailing actions to prevent modern slavery, forced labour, or human trafficking within the organisation and its supply chain.

The alternative internal channel is still active, whereby reports can be submitted by letter addressed to the competent Supervisory Board or the Whistleblowing Committee at the address: Viale Rinaldo Piaggio, 25 Pontedera (PI) 56025, Italy.
Based on the specific aspects and significance of India, the Indian subsidiary has already adopted the following, for a number of years:
- the Code of Business Conduct & Ethics;
- a "Policy on the Prevention of Sexual Harassment of Women at the Workplace" to prevent incidents of sexual harassment within the plant.

The Organisational model pursuant to Legislative Decree 231/2001

Piaggio & C.'s internal control and risk management system is completed by the Organisational, Management and Control Model for the prevention of offences pursuant to Legislative Decree 231/2001 (the "Model"), which Piaggio & C. has adopted since 2004 and, most recently updated on 30 October 2023 with a resolution approved by the Board of Directors.
In compliance with Legislative Decree 24 of 2023, the Model has been amended and integrated with the new reporting system, referred to in the Piaggio Group Whistleblowing Policy. The scope has been broadened and the protections provided for reporting cases have been strengthened. Reports may concern not only unlawful conduct relevant under Decree 231 and violations of the Model, but also violations of national law (administrative, accounting and criminal offences) and European law.

Business conduct

Within this framework, the role of the Supervisory Board has been defined, which remains the direct recipient of reports insofar as it is competent, as well as the recipient of information flows in accordance with the provisions of the Model and the dedicated company procedure.
The Model opens with the Code of Ethics, followed by the General Principles of Internal Control and the Guidelines of Conduct, and is divided into two parts.
The first, of a general nature, opens with an overview of the reference legislation, followed by an introductory part on the function of the Model and its operation within the Company; this is followed by the Disciplinary System and the description of the role, composition, functioning and tasks of the Supervisory Board.
The second part of the Model, called the "special" section, formalises specific decision-making protocols to guide the company's activities in accordance with indications in the model, in relation to the individual groups of crimes which this section is divided into.
The Model pursuant to Legislative Decree 231/2001, which is widely disseminated by e-mail to all Piaggio Group employees in Italy and published on the company intranet, is constantly monitored and periodically updated. The Group also organises e-learning training programmes for all employees excluding blue collar workers.
The general section of the Model is available on the institutional website (www.piaggiogroup.com) in the Governance/Governance System section.

ANTI-CORRUPTION

Piaggio has implemented a systematic set of procedures to prevent, detect, and handle any instances of corruption and bribery. This approach aligns with the Code of Ethics and the Organisation, Management, and Control Model under Legislative Decree 231/2001 (known as "Model 231").
The main measures taken include:
- **Code of Ethics**, which establishes the principles of integrity, transparency and fairness.
- **Model 231**, which regulates sensitive company processes and provides for control protocols.
- **Third-party due diligence procedures** to verify the reliability of suppliers and partners.
- **Training and awareness-raising programmes** for employees and managers.
- **Whistleblowing system**, for the reporting of unlawful conduct.
- **Disciplinary system** with proportionate sanctions for breaches of anti-corruption rules.

In order to ensure the independence and impartiality of internal investigations, Piaggio has taken the following measures:
- The **Supervisory Board ("SB")** oversees the enforcement of anti-corruption actions and manages all related reports.
- Investigations are conducted by people from outside the corporate function involved.
- In crucial instances, the investigative committee reports directly to the administrative and supervisory authorities.

The results of the surveys are communicated through:
- **Regular reports by the Supervisory Board** to the Board of Directors.
- **Immediate notification** of control bodies in case of significant violations.
- **Report on the results** of investigations and corrective actions taken.

As set out in the Code of Ethics, in pursuing its mission, the Group ensures, through the adoption of appropriate instruments, including organisational tools, an absolute prohibition on any practice of corruption, of requesting and/or granting favours, of any collusive behaviour, of solicitation, direct/indirect and/or through third parties, of personal advantages of any kind for oneself and/or others, of material benefits and/or any other advantage of any entity in favour of third parties, whether private or public, whether representatives of Italian or foreign governments.

Business conduct

In participating in public tenders or competitions called by the Public Administration, as well as in any negotiation or contractual relationship stipulated/conducted both with the Public Administration and with private third parties, all parties involved must behave in good faith and in compliance with the laws, correct business practice and regulations in force, as well as with relevant company procedures, avoiding any situation that may result in a violation of laws and/or principles of fairness and transparency in the negotiations. Such relations shall only be entertained by persons previously and expressly authorised to do so, in compliance with their roles and in accordance with company procedures; appropriate mechanisms for tracing information flows to the contracting party must also be in place. Any request for advantages, any intimidating and/or coercive conduct, or harassment by an officer of the Public Administration or the third party contractor, even if a person has only become aware of them, must be reported immediately.
Managers of functions, which have regular contact with the Public Administration, must:

- give their staff instructions on how to act and operate in formal and informal contacts with various public entities, according to the specific aspects of their activity, transferring knowledge of the rules and awareness of situations at risk of offences being committed;
- provide adequate traceability mechanisms for official information flows to the Public Administration;
- maintain and require from those who have relations with the Public Administration a conduct characterised by fairness, transparency, traceability and good faith, in compliance with the roles and responsibilities assigned; observe, and ensure strict compliance, also specifically regarding relations with the Public Administration, with corporate procedures aimed at identifying and outlining in the abstract the functions and positions that are competent and delegated to enter into contact with the Public Administration, in compliance with corporate roles;
- make truthful, clear, complete and traceable declarations to public authorities, and produce complete, truthful and unaltered documents and data;
- behave in a correct and clear manner so as not to even potentially mislead counterparts. All consultants, suppliers, customers and anyone who has relations with the Group are committed to compliance with the laws and regulations in force in all countries where the Group operates.

No relationship will be entered into or continued with anyone who does not intend to observe this principle. The appointment of such persons to act on behalf and/or in the interest of the Group in dealings with the Public Administration must be made in writing and include a specific clause binding them to comply with the ethics and principles of conduct adopted by the Group.

A conduct identical to that indicated with regard to relations with the Public Administration must also be maintained in relations with any private third party, such as suppliers, customers, competing companies, partners and/or any contractual counterparty.

When applying to the State or other public body or the European Union for contributions, subsidies or funding, all employees involved in such procedures must:

- behave in a fair and truthful manner, using and submitting complete statements and documents relating to the activities for which benefits may be legitimately claimed and obtained;
- Once you have received the requested funds, allocate them to their intended purposes. Those responsible for administrative/accounting functions must check that every operation and transaction is legitimate, consistent, appropriate, authorised, verifiable; correctly and adequately recorded so as to allow for the verification of the decision-making, authorisation and performance process; accompanied by correct/authentic documentary support suitable to allow, at any time, checks on the characteristics and reasons for the operation and the identification of the person who authorised, carried out, recorded, and verified it.

Business conduct

As part of the risk assessment analyses of Model 231, the parent company identified the following functions as being most at risk of corruption and bribery [82]:

- **Purchasing Department:** as part of the selection, qualification, evaluation and monitoring of suppliers, could be exposed to attempts at corruption and bribery.
- **Commercial:** in the context of participating in supply tenders, could be exposed to attempts at corruption and bribery.
- **Administration, Finance and Control:** in the context of participating in public tenders for financing (so-called subsidised finance), could be exposed to attempts at corruption and bribery.
- **Human Resources:** in the context of personnel selection, recruitment activities, and staff appraisal, there is a risk that decisions could be swayed to favour certain candidates in return for personal or corporate advantages.
- **Regulatory Affairs:** in interactions with public bodies and representatives of the P.A., it is exposed to corruption risks, especially when such interactions may lead to competitive advantages for the company.

Of the people employed in the functions most exposed to risk, 64% have been trained in anti-corruption issues.

It is important to note that Italian companies are periodically offered a dedicated training programme on Legislative Decree 231[83] for both employees and managers. This programme explains the concept of corporate administrative liability as set out in Legislative Decree 231, under which companies may be held responsible and, as a result, penalised for certain offences. These offences, whether committed or attempted by directors or employees, must be in the interest of or to the benefit of the company itself. The offences outlined in Decree 231 also encompass corporate crimes, such as private bribery and market abuse. During 2024, a whistleblowing course was held for all employees of the Italian companies and part of the European subsidiaries, which also covered anti-corruption issues.

The Indian subsidiary conducts an annual training course on the Code of Business Conduct & Ethics, which deals in detail with issues such as anti-money laundering, anti-corruption and anti-fraud. The course is delivered to all categories of employees and also administered in local languages (Hindi and Marathi). At the end of this course, a questionnaire for understanding the content is given out.

During 2024, no sessions on anti-corruption topics were held for members of the administration, management and control.

Incidents of corruption or bribery

During 2024, there were no convictions or fines for violation of anti-corruption and anti-bribery laws.

82 This analysis can also be extended to foreign companies.
83 Reserved for employees of Italian companies.

PRIVACY

Processing of personal data - Legislative Decree 196 of 30 June 2003 - Regulation (EU) 679 of 27 April 2016 (GDPR - General Data Protection Regulation)

Following the entry into force of Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data (GDPR), the Company has completed the process to align with regulations. The Company is responsible by law, in its capacity as "Data Controller", for all personal data processing activities carried out by it and, in view of this, takes appropriate security measures in relation to risks to the rights and freedoms of natural persons. To guarantee efficient operations in relation to processing activities, it has identified a person on the Board of Directors who, in the name and on behalf of the Company, independently takes decisions concerning the purposes, methods of processing personal data and the instruments used, including the adoption and monitoring of security measures and their adequacy, and who supervises all personal data processing activities carried out by the Company.

The Company has also deemed it appropriate to appoint a Data Protection Officer (DPO), who, as provided for in Articles 37-39 of the GDPR, has the task of advising company functions on privacy matters and inspecting personal data management activities, acting as the point of reference within the company for everything concerning the processing of personal data and as the interface with the Data Protection Authority, as well as assisting the company in ensuring full compliance with the provisions of the legislation.

In 2024, Piaggio reported no incidents of privacy breaches or personal data loss.

Policy on Global Information Security

To ensure the privacy of staff, employees, customers, and business partners' data, the parent company has established a "Global Information Security Policy" applicable to all group companies. This policy applies to everyone in the Group. They must safeguard the confidentiality of data they access through their roles and adhere to all GDPR requirements (EU Regulation 2016/679) and Piaggio's data protection guidelines for authorised processors.

The policy is established within a framework of internal rules that govern the Group's conduct and ethical principles. This includes several components, such as the Code of Ethics, the Delegation and Power of Attorney System, the Company Organisational Chart, and the Procedural System. Applying the Policy's principles ensures we develop an effective risk management model for company information and IT assets, safeguarding them against all threats, whether they come from inside or outside, or occur by design or by chance. The Policy is available on the company intranet, and senior management ensures its implementation, with support from the Information Security department.

RELATIONS WITH SUPPLIERS

Suppliers are a key element in improving Piaggio's competitiveness: the quality of components crucially affects the end product and, therefore, customer satisfaction.

Piaggio aims to establish a stable and transparent partnership with its suppliers to highlight their skills and expertise.

As part of the materiality analysis, the risk of the Group's reputation being compromised due to the supply chain not being assessed according to specific ESG parameters was found to be significant. As a risk mitigation action, the Group currently requires suppliers to sign its Code of Ethics through the General Conditions of Supply.

The evaluation and selection of suppliers is carried out according to uniform methodologies, based on objective and measurable parameters that do not currently include environmental or social criteria.

Piaggio is contemplating obtaining ESG ratings for its business partners from outside databases.

The guidelines to be adopted in the selection of suppliers are described in the chapter "Workers in the Value Chain" to which we refer.

Piaggio aims to build relationships with global suppliers who meet the distinct needs of different regions and excel in innovation, cost, service, and quality (aiming for zero defects) to guarantee the highest customer satisfaction.

Supply audits

The quality of Piaggio products is also a function of the quality of its own supplies. The Piaggio Group carries out intense scouting and audit activities to select and assess new suppliers, constantly monitor their quality level and give approval of processes for the development of new components. These activities are carried out through scheduled visits by Piaggio's supplier audit team.
New suppliers become part of Piaggio's "pool" only after an in-depth and positive evaluation of their production processes, their products and their certification linked to functional/dimensional and material characteristics described in the project specifications.
The audits, requested by the Procurement Department, are aimed at assessing the quality system of a potential supplier and its ability to produce the product for which it has been proposed or selected.
For suppliers that have previously been successfully evaluated and already belong to the qualified supplier pool, further process audits may be envisaged in the case of:

- the development of new products;
- the resolution of problems detected during mass production;
- reports of non-compliance occurring during the vehicle's warranty period.

In the case of new products, audits are planned to assess the supplier's ability to manage the processes required to manufacture the new product and to offer them, if and when deemed necessary/required, technical support for their definition and control.
In the case of well-established products, on the other hand, audits are carried out to resolve specific problems that have arisen during production, to verify the supplier's ability to keep the processes that contribute to product development under control, to periodically monitor improvement in performance in terms of returns/disruptions[84] , to resolve problems that have arisen under warranty, and finally to verify the effectiveness of corrective actions defined by the suppliers to prevent the recurrence of non-conformities.

In line with the Group's guidelines, each year the Purchasing Unit seeks to improve the procurement process by promoting the technical skills of buyers and focusing on the management of the various goods categories.

Over the years, Piaggio Group Management has started a process of common development with its suppliers by setting up a specific department called "Vendor Assessment", as well as assigning the "Finance" Function to define and monitor possible risks areas involving financial and corporate issues, guaranteeing complete independence of corporate areas involved in the procurement processes, as well as meeting the needs of all stakeholders.

84 Items returned, reworked, selected, accepted as an exception.

Business conduct

Corporate Finance Area

The Finance Area is responsible for defining and overseeing the economic, financial, and corporate trustworthiness of key suppliers and principal business partners, including the distribution network and customers.

In 2024, the analysis and monitoring of Piaggio & C. Spa's Suppliers continued, as well as the identification of shareholders/controlling shareholders of strategic business partners. Furthermore, in the area of Compliance, the verification of the possible presence among suppliers of politically exposed persons and/or people included in anti-terrorism lists continued, in order to mitigate the "reputational risk" (Source: Grid Data by Moody's: risk database of adverse media, sanctions, watchlists, and PEPs.).
All possible corporate and financial changes, which may affect the perceived risk status, are presented to a Suppliers Committee (composed of the Purchasing Manager, the 3-4 Wheeler Product Development Department Manager, the 2-Wheeler R&D Department Manager, the Administration Manager, the Finance Manager and the Chief Financial Officer) during periodic meetings in order to identify possible corrective and improvement actions, should critical areas emerge.
The company's supplier evaluation process mandates that Finance sets and tracks the maximum limit of economic reliance for each supplier, calculated as a percentage of their turnover with Piaggio against their total reported turnover.
In 2024, we continued to analyse the financial stability and corporate trustworthiness of Aprilia Racing's key suppliers and principal sponsors. This was also to reduce potential risks to our reputation.
Piaggio is currently assessing the best method to evaluate the impact of its value chain on various ESG (Environmental, Social, and Governance) issues and to incorporate sustainability into its supplier selection criteria.

Vendor Assessment

With the strategic objective of creating a network of lasting and mutually satisfactory partnerships with highly qualified associates, the Vendor Assessment function, in addition to managing the Supplier Qualification Process, assesses supplier performance through Vendor Rating campaigns.
The relationship with suppliers is defined by precise company processes that comprise two fundamental phases: the qualification of new suppliers and periodic supplier assessment.
New supplier qualification is an interfunctional process based on specific standards that lead to a potential supplier being included in the Supplier List, for its chosen goods' category; after an initial documentary evaluation stage, a multidisciplinary, supplier qualification team is involved, with specific positions giving a technical, economic/financial and corporate rating on goods' categories.

Periodic supplier assessment is conducted at the Italian, Indian and Vietnamese plants through six-monthly Vendor Rating campaigns, in which supplies relating to the period are examined, based on the quality of the product supplied, technical/scientific collaboration, and compliance with delivery plans. Over 1,000 suppliers are involved, providing nearly all the supplies. This provides a reference framework for procurement strategies and actions concerning suppliers.
The process involves:
- the assignment of a Vendor Rating Index, which measures the supplier's performance with a weighted average of the ratings made by the corporate functions (for direct materials, the functions concerned are R&D, Quality, Manufacturing and Spare Parts);
- assignment of a Criticality Rating that takes into account the Quality function's assessment, to decide whether a supplier is "critical" for the purposes of granting new supply agreements (if negative, new supplies are put on hold).

Supplier Portal

For the effective and efficient management of supplier relations, the Supplier Portal, based on the SRM-SAP system, is active in Italy, India and Vietnam.
The "SRM - Suppliers Portal" system is an IT tool for the real-time exchange of information and documents between all company functions and suppliers, both for the purchase of materials and components, and for the purchase of equipment and services, thus guaranteeing correct and transparent management of all phases of the purchasing process: purchase requests, purchase orders, price lists and supply schedules, goods receipt, invoices, payment information.
In particular, the Portal ensures that the following objectives are achieved:
- increased collaboration with suppliers, through self-service tools, document and information sharing;
- increased efficiency of purchasing processes, through the implementation of automated tools and increased compliance with purchasing procedures;
- minimisation of manual activities;
- quality and correctness of information;
- reduction in time-consuming business processes and communication;
- low use of "paper" (including through the use of digital signatures);
- reduction in billing anomalies;
- visibility of the entire authorisation process, from purchase requests to orders.

PIAGGIO GROUP INSTITUTIONAL RELATIONS

In the realm of institutional relations and regulatory affairs, Piaggio primarily engages by actively monitoring regulations, thoroughly analysing the institutional landscape, and identifying key stakeholders.
Piaggio conducts its institutional relations in line with the laws and regulations of the countries where the Group operates.
As per the Code of Ethics: "The Company does not make contributions, provide advantages or other benefits to political parties and workers' trade union organisations, nor to their representatives or candidates, subject to compliance with applicable legislation".
The Chairman responsible for the supervision of lobbying activities; in particular, the following executive powers are vested in the Chairman:

a. managing and representing the Company in business and institutional interactions with government authorities, parliament, political entities, diplomatic bodies, and other relevant organisations, both Italian and international. This includes dealings with supranational entities, public law institutions (such as public administrations at all levels, diplomatic and consular authorities, European Union institutions and agencies, security services, independent regulatory authorities, and other entities with regulatory or oversight responsibilities);
b. overseeing the establishment of and engagement in, as well as represent the Company in dealings with associations, foundations, and other organisations or bodies – including those of a non-profit nature – active in the areas of human rights and environmental protection, or with other objectives considered aligned with the Company's interests;
c. administering and representing the Company in dealings with associations, foundations, communities, and other bodies (such as environmental or consumer groups, local communities, and so on);
d. representing the company in dealings with institutions, research centres, institutes, and universities, both domestically and internationally, regarding policies on environmental sustainability and energy transition, in coordination with the Chief Executive Officer;
e. represent the Company in relations with Confindustria and business organisations; represent the Company with the Trade Unions, in coordination with the Chief Executive Officer;
f. in agreement with the Chief Executive Officer propose the strategic plan and/or amendments or additions to it to the Board of Directors;
g. liaise with the competent corporate structures and functions with reference to the matters delegated.

Please be informed that Chairman Matteo Colaninno has served as a Member of the Italian Parliament until October 2022.

Business conduct

The Piaggio Group upholds transparent, legitimate, and accountable dealings with institutions, ensuring openness in public disclosures and interactions with institutional stakeholders. This approach aligns with our Code of Ethics and Corporate Lobbying Policy. The goal is to encourage green transport and invest in technology that enhances user safety and protects the environment.

The Group is not only a member of Confindustria, but also of important national, European and international associations in the automotive sector, such as ACEM (chaired by Michele Colaninno), ANFIA and ANCMA, which represent and protect the economic, technical and regulatory interests of the automotive sector in institutional dimensions, and with the authorities and associations responsible, at national and international level, for industrial policy and the mobility of persons and goods.

Finally, Piaggio keeps track of regulatory changes at national, European, and international levels. With its expertise, and through clear and constructive collaboration with institutions, it plays a significant role in the consultations that precede the decision-making process.

The Piaggio Group is listed in the European Transparency Register (no. 285162034736-01), overseen by the European Parliament, the Council of the European Union, and the European Commission. The register contains details of those who influence EU policy-making. By joining the Register, Piaggio commits to adhering to the relevant code of conduct, which is part of the Interinstitutional Agreement. This code outlines ethical and behavioural standards that members must follow when engaging in interest representation activities with EU institutions.

CERTIFICATION OF SUSTAINABILITY REPORT PURSUANT TO ARTICLE 81-TER, PARAGRAPH 1, OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AS AMENDED

1. The undersigned Michele Colaninno and Alessandra Simonotto, in their respective capacities as Chief Executive Officer and Executive in Charge of Sustainability Reporting of Piaggio & C. S.p.A., certify, pursuant to Article 154-bis, paragraph 5-ter, of Legislative Decree no. 58 of 24 February 1998, that the Sustainability Report included in the Report on Operations has been prepared:

    a. in line with the reporting standards enforced under Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and Legislative Decree No. 125 of 6 September 2024;

    b. in line with the specifications set out under Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and Council of 18 June 2020.

3. No major issues emerged in this respect.

Milan, 4 March 2025

Signed/ Michele Colaninno

Signed/ Alessandra Simonotto

Michele Colaninno
Chief Executive Officer

Alessandra Simonotto
Executive in Charge of Sustainability Reporting

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED SUSTAINABILITY STATEMENT PURSUANT TO ARTICLE 14-BIS OF LEGISLATIVE DECREE NO. 39 OF JANUARY 27, 2010

Deloitte.

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INDEPENDENT AUDITOR'S
REPORT ON THE CONSOLIDATED SUSTAINABILITY STATEMENT
PURSUANT TO ARTICLE 14-BIS OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
Piaggio & C. S.p.A.

Conclusion

Pursuant to artt. 8 and 18, paragraph 1 of Legislative Decree no. 125 of September 6, 2024 (hereinafter also the "Decree"), we have carried out a limited assurance engagement on the consolidated sustainability statement of the Piaggio Group (hereinafter also the "Group") for the year ended on December 31, 2024, prepared pursuant to Art. 4 of the Decree, included in the specific section of the management report.

Based on the work performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability statement of the Piaggio Group for the year ended on December 31, 2024 is not prepared, in all material respects, in accordance with the reporting principles adopted by the European Commission pursuant to the Directive (EU) 2013/34/EU (European Sustainability Reporting Standards, hereinafter also "ESRS");

- the information included in the paragraph "The European Taxonomy" of the consolidated sustainability statement is not prepared, in all material respects, in accordance with art. 8 of Regulation (EU) No. 852 of June 18, 2020 (hereinafter also the "Taxonomy Regulation").

Basis for conclusion

We conducted the limited assurance engagement in accordance with the assurance standard of the sustainability report - "Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia)". The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained had we performed a reasonable assurance engagement.

Our responsibilities pursuant to that standard are further described in the paragraph *Auditor's responsibilities for the limited assurance of the consolidated sustainability statement* of this report.

We are independent in accordance with the independence and other ethical requirements applicable under Italian law to the limited assurance engagement of the consolidated sustainability statement.

Deloitte.

Our firm applies International Standard on Quality Management (ISQM Italia) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

The comparative information for the year ended on December 31, 2023 presented in the consolidated sustainability statement has not been verified.

Responsibility of the Directors and the Management Control Committee of Piaggio S.p.A. for the consolidated sustainability statement

The Directors are responsible for developing and implementing the procedures performed to identify the information reported in the consolidated sustainability statement in accordance with the ESRS (hereinafter the "double materiality assessment process") and for disclosing this process in "Strategy - Materiality Analysis" of the consolidated sustainability statement.

The Directors are also responsible for the preparation of the consolidated sustainability statement, which includes the information identified as part of the double materiality assessment process, in accordance with the requirements of Art. 4 of the Decree, including:

- compliance with ESRS;
- compliance of the information included in the paragraph "The European Taxonomy" with art. 8 of the Taxonomy Regulation.

Such responsibility involves designing, implementing and maintaining, within the terms established by the law, such internal control that the Directors determine necessary to enable the preparation of the consolidated sustainability statement in accordance with the requirements of the Art. 4 of the Decree that is free from material misstatements, whether due to fraud or error. Furthermore, the abovementioned responsibility involves the selection and application of appropriate methods in elaborating information and making assumptions and estimates about specific sustainability information that are reasonable in the circumstances.

The Management Control Committee is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Inherent limitations in the preparation of the consolidated sustainability statement

In reporting forward looking information in accordance with ESRS, the Directors are required to prepare the forward looking information on the basis of assumptions, as described in the consolidated sustainability statement, regarding events that may occur in the future and possible future actions of the Group. Due to the inherent uncertainty regarding any future event, including whether these events will take place and their extent and timing, the variances between actual outcomes and forward looking information could be significant.

Deloitte.

The information provided by the Group regarding Scope 3 emissions is subject to greater inherent limitations compared to those related to Scope 1 and 2 emissions. This is due to the lower availability and relative accuracy of the data used to define the information on Scope 3 emissions, both quantitative and qualitative, in relation to the value chain, as indicated in the paragraph "Basis for preparation – Metrics subject to a high level of uncertainty".

Auditor's responsibilities for the limited assurance of the consolidated sustainability statement

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability statement is free from material misstatements, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, could influence the decisions of users taken on the basis of consolidated sustainability statement.

As part of the limited assurance engagement in accordance with the Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia), we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify and assess the disclosure where a material misstatement is likely to arise, either due to fraud or error;
- designing and performing procedures to verify disclosures in the sustainability statement where material misstatements are likely to arise. The risk of not detecting a material misstatement due to fraud is higher than the risk of not identifying a material misstatement due to error, as fraud may involve collusion, falsifications, intentional omissions, misrepresentations, or the override of internal control;
- the direction, supervision and performance of the limited assurance engagement of the consolidated sustainability statement. We remain solely responsible for the conclusion on the consolidated sustainability statement.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence as the basis for expressing our conclusion.

The procedures performed on the consolidated sustainability statement are based on our professional judgement and included inquiries, primarily with the personnel of the Group responsible for the preparation of information included in the consolidated sustainability statement, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we performed the following main procedures partly in a preliminary phase before year end and then in a final phase up to the the date of issuance of this report:

- understanding the business model, the Group's strategies and the context in which the Group operates with reference to sustainability matters;

Deloitte.

- understanding the processes underlying the generation, collection, and management of qualitative and quantitative information included in the consolidated sustainability statement, including an analysis of the reporting perimeter;
- understanding the process carried out by the Group for the identification and evaluation of material impacts, risks and opportunities, based on the principle of double materiality, with reference to sustainability matters;
- identification of the information where a risk of material misstatement is likely to arise, taking into considerations, among others, risk factors related to the generation and collection of the information, to the estimates and to the complexity of the calculation methods, as well as quantitative factors related to the nature of such information;
- design and performance of procedures, based on the professional judgment of the auditor of the consolidated sustainability report, to respond to identified risks of material misstatement also with the support of Deloitte specialists, with reference to specific environmental information;
- understanding of the process set up by the Group to identify eligible economic activities and determine their aligned nature according to the requirements of the Taxonomy Regulation, and verifying the related information included in the consolidated sustainability statement;
- comparison of the information reported in the consolidated sustainability statement with the information included in the consolidated financial statements pursuant to the applicable financial reporting framework, or with the accounting data used for the preparation of the financial statements, or with the management data accounting in nature;
- verification of the structure and presentation of the information included in the consolidated sustainability statement in accordance with ESRS, included the information related to the materiality assessment process;
- obtaining the representation letter.

DELOITTE & TOUCHE S.p.A.

Signed by
Gianni Massini
Partner

Florence, March 24, 2025

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

PIAGGIO GROUP

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

		2024		2023	
		TOTAL	of which related parties	TOTAL	of which related parties
NOTES	IN THOUSANDS OF EUROS				
4	Net revenues[85]	1,701,322	2	1,985,060	10
5	Costs for materials	1,059,985	14,398	1,259,872	21,208
6	Costs for services and use of third-party assets[85]	256,733	1,313	274,136	1,453
7	Employee costs	252,561		256,147	
8	Depreciation and impairment costs of property, plant and equipment	52,647		52,588	
8	Amortisation and impairment costs of intangible assets	76,122		81,570	
8	Depreciation of rights of use	10,169		10,172	
9	Other operating income	179,672	335	158,371	360
10	Impairment of trade and other receivables, net	(3,119)		(3,914)	
11	Other operating costs	21,922	110	24,366	140
	Operating income	**147,736**		**180,666**	
12	Results of associates - Income/(losses)	(1,611)	(1,645)	(738)	(772)
13	Financial income	2,681		1,907	
13	Financial costs	50,373	442	44,393	74
13	Net exchange-rate gains/(losses)	(1,076)		(2,111)	
	Profit before tax	**97,357**		**135,331**	
14	Income taxes	30,132	345	44,279	(3,861)
	Net Profit (loss) for the period	**67,225**		**91,052**	
	Attributable to:				
	Owners of the Parent Company	**67,225**		**91,052**	
	Non-controlling interests	**0**		**0**	
15	**Earnings per share (figures in €)**	**0.190**		**0.257**	
15	**Diluted earnings per share (figures in €)**	**0.190**		**0.257**	

85 As a result of the contractual changes made from 2024 onwards to sell-out promotions for the Indian market, the costs of these promotions, which were previously allocated to services, are now recognised as a deduction of revenues. Although the value is to be considered negligible, €/000 9,525 was reclassified from the cost of services to lower revenue in 2023, in order to allow for a better comparability with 2024 figures.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOTES	IN THOUSANDS OF EUROS	2024	2023
	Net Profit (loss) for the period (A)	**67,225**	**91,052**
	Items that will not be reclassified in the income statement		
43	Remeasurements of defined benefit plans	(664)	(1,773)
	Total	**(664)**	**(1,773)**
	Items that may be reclassified in the income statement		
43	Exchange gain (losses) arising on translation of foreign operations	2,228	(5,809)
43	Share of Other Comprehensive Income/(loss) of associates valued with the equity method	270	(657)
43	Total profits (losses) on cash flow hedges	3,487	(3,486)
	Total	**5,985**	**(9,952)**
	Other comprehensive income/(loss) (B)[86]	**5,321**	**(11,725)**
	Total comprehensive income (loss) for the period (A + B)	**72,546**	**79,327**
	Attributable to:		
	Owners of the Parent Company	**72,517**	**79,336**
	Non-controlling interests	**29**	**(9)**

86 Other Profits (and losses) take account of relative tax effects.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		AS OF 31 DECEMBER 2024		AS OF 31 DECEMBER 2023	
		TOTAL	of which related parties	TOTAL	of which related parties
NOTES	IN THOUSANDS OF EUROS				
	ASSETS				
	Non-current assets				
16	Intangible assets	793,642		754,142	
17	Property, plant and equipment	304,471		287,510	
18	Rights of use	33,697		36,866	
36	Investments	7,109		8,484	
37	Other financial assets	16		16	
23	Tax receivables	6,443		9,678	
19	Deferred tax assets	71,353		70,439	
21	Trade receivables	0		0	
22	Other receivables	20,712		18,259	
	Total non-current assets	**1,237,443**		**1,185,394**	
	Current assets				
21	Trade receivables	72,116	428	58,878	394
22	Other receivables	87,734	45,864	86,879	33,859
23	Tax receivables	21,177		18,855	
20	Inventories	323,698		328,017	
37	Other financial assets	0		6,205	
38	Cash and cash equivalents	149,693		181,692	
	Total current assets	**654,418**		**680,526**	
	Total assets	**1,891,861**		**1,865,920**	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		AS OF 31 DECEMBER 2024		AS OF 31 DECEMBER 2023	
		TOTAL	of which related parties	TOTAL	of which related parties
NOTES	IN THOUSANDS OF EUROS				
	SHAREHOLDERS' EQUITY AND LIABILITIES				
	Shareholders' equity				
42	Share capital and reserves attributable to the owners of the Parent Company	418,310		416,146	
42	Share capital and reserves attributable to non-controlling interests	(146)		(175)	
	Total shareholders' equity	**418,164**		**415,971**	
	Non-current liabilities				
39	Financial liabilities	523,518		467,053	
39	Financial liabilities for rights of use	16,587	3,887	19,665	4,362
27	Trade payables	0		0	
28	Other non-current provisions	18,796		17,691	
29	Deferred tax liabilities	6,730		7,087	
30	Retirement funds and employee benefits	24,802		25,222	
31	Tax payables	0		0	
32	Other payables	17,140		12,392	
	Total non-current liabilities	**607,573**		**549,110**	
	Current liabilities				
39	Financial liabilities	133,537		124,876	
39	Financial liabilities for rights of use	10,024	1,479	10,336	1,247
27	Trade payables	571,115	5,290	619,003	6,371
31	Tax payables	13,161		13,912	
32	Other payables	122,652	55,719	117,267	43,786
28	Current portion of other non-current provisions	15,635		15,445	
	Total current liabilities	**866,124**		**900,839**	
	Total Shareholders' Equity and Liabilities	**1,891,861**		**1,865,920**	

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

Movements from 1 January 2024 / 31 December 2024

					TRANSACTIONS WITH SHAREHOLDERS				
IN THOUSANDS OF EUROS	AS OF 1 JANUARY 2024	PROFIT FOR THE PERIOD	OTHER COMPREHENSIVE INCOME/(LOSS)	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	ALLOCATION OF PROFITS	DISTRIBUTION OF DIVIDENDS	PURCHASE OF TREASURY SHARES	INTERIM DIVIDENDS	AS OF 31 DECEMBER 2024
NOTES				43	42	42	42	42	
Share capital	207,614								207,614
Share premium reserve	7,171								7,171
Legal reserve	32,707				4,530				37,237
Reserve for measurement of financial instruments	(941)		3,487	3,487					2,546
IAS transition reserve	(21,314)								(21,314)
Group translation reserve	(49,945)		2,469	2,469					(47,476)
Treasury shares	(1,411)						(1,283)		(2,694)
Earnings reserve	195,508		(664)	(664)	13,891				208,735
Earnings for the period	46,757	67,225		67,225	(18,421)	(28,336)		(40,734)	26,491
Consolidated Group shareholders' equity	**416,146**	**67,225**	**5,292**	**72,517**	**0**	**(28,336)**	**(1,283)**	**(40,734)**	**418,310**
Share capital and reserves attributable to non-controlling interests	**(175)**		**29**	**29**					**(146)**
Total shareholders' equity	**415,971**	**67,225**	**5,321**	**72,546**	**0**	**(28,336)**	**(1,283)**	**(40,734)**	**418,164**

Movements from 1 January 2023 / 31 December 2023

					TRANSACTIONS WITH SHAREHOLDERS					
IN THOUSANDS OF EUROS	AS OF 1 JANUARY 2023	PROFIT FOR THE PERIOD	OTHER COMPREHENSIVE INCOME/(LOSS)	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	ALLOCATION OF PROFITS	DISTRIBUTION OF DIVIDENDS	CANCELLATION OF TREASURY SHARES	PURCHASE OF TREASURY SHARES	INTERIM DIVIDENDS	AS OF 31 DECEMBER 2023
NOTES				43	42	42	42	42	42	
Share capital	207,614									207,614
Share premium reserve	7,171									7,171
Legal reserve	28,954				3,753					32,707
Reserve for measurement of financial instruments	2,545		(3,486)	(3,486)						(941)
IAS transition reserve	(15,525)						(5,789)			(21,314)
Group translation reserve	(43,488)		(6,457)	(6,457)						(49,945)
Treasury shares	(7,688)						7,688	(1,411)		(1,411)
Earnings reserve	183,705		(1,773)	(1,773)	15,475		(1,899)			195,508
Earnings for the period	54,689	91,052		91,052	(19,228)	(35,461)			(44,295)	46,757
Consolidated Group shareholders' equity	**417,977**	**91,052**	**(11,716)**	**79,336**	**0**	**(35,461)**	**0**	**(1,411)**	**(44,295)**	**416,146**
Share capital and reserves attributable to non-controlling interests	**(166)**		**(9)**	**(9)**						**(175)**
Total shareholders' equity	**417,811**	**91,052**	**(11,725)**	**79,327**	**0**	**(35,461)**	**0**	**(1,411)**	**(44,295)**	**415,971**

CONSOLIDATED STATEMENT OF CASH FLOWS

This statement shows the factors behind changes in cash and cash equivalents, net of short-term bank overdrafts, as required by IAS 7.

		2024		2023	
		TOTAL	of which related parties	TOTAL	of which related parties
NOTES	IN THOUSANDS OF EUROS				
	Operating activities				
	Net Profit (loss) for the period	67,225		91,052	
14	Income taxes	30,132	345	44,279	(3,861)
8	Depreciation of property, plant and equipment	52,647		52,347	
8	Amortisation of intangible assets	76,122		80,961	
8	Depreciation of rights of use	10,169		10,172	
	Provisions for risks and retirement funds and employee benefits	21,331		23,554	
	Impairments/(Reinstatements)	3,072		4,746	
	Losses/(Gains) on the disposal of property, plant and equipment	(813)		(2,384)	
13	Financial income	(2,681)		(1,907)	
12	Dividend income	(34)		(34)	
13	Financial costs	50,373		44,393	
	Income from public grants	(9,633)		(9,041)	
	Share of results of associates	1,645		772	
	Change in working capital:				
21	(Increase)/Decrease in trade receivables	(14,181)	(34)	7,410	74
22	(Increase)/Decrease in other receivables	(5,437)	(12,005)	(32,040)	(7,566)
20	(Increase)/Decrease in inventories	4,319		51,661	
27	Increase/(Decrease) in trade payables	(47,888)	(1,081)	(120,829)	(3,487)
32	Increase/(Decrease) in other payables	10,133	11,933	20,419	17,336
28	Increase/(Decrease) in provisions for risks	(11,190)		(12,168)	
30	Increase/(Decrease) in retirement funds and employee benefits	(10,450)		(11,490)	
	Other changes	(6,505)		9,492	
	Cash generated from operating activities	**218,356**		**251,365**	
	Interest paid	(42,287)		(29,403)	
	Taxes paid	(32,007)		(36,744)	
	Cash flow from operating activities (A)	**144,062**		**185,218**	
	Investment activities				
17	Investment in property, plant and equipment	(68,126)		(54,644)	
	Proceeds from sales of property, plant and machinery	2,102		2,788	
16	Investment in intangible assets	(114,580)		(108,225)	
	Proceeds from sales of intangible assets	43		222	
	Public grants collected	12,430		2,801	
	Dividends cashed	34		0	
	Interest received	2,106		1,570	
	Cash flow from investment activities (B)	**(165,991)**		**(155,488)**	
	Financing activities				
42	Purchase of treasury shares	(1,283)		(1,411)	
42	Outflow for dividends paid	(69,070)	(34,986)	(79,756)	(40,349)
39	Loans received	143,958		322,684	
39	Outflow for repayment of loans	(80,240)		(312,877)	
37	Change in other financial assets	6,205		(6,205)	
39	Repayment of lease liabilities	(11,323)		(10,019)	
	Cash flow from financing activities (C)	**(11,753)**		**(87,584)**	
	Increase/(Decrease) in cash and cash equivalents (A+B+C)	(33,682)		(57,854)	
	Opening balance	**179,148**		**242,552**	
	Exchange(loss)/gain in cash and cash equivalents	2,786		(5,550)	
	Closing balance	**148,252**		**179,148**	

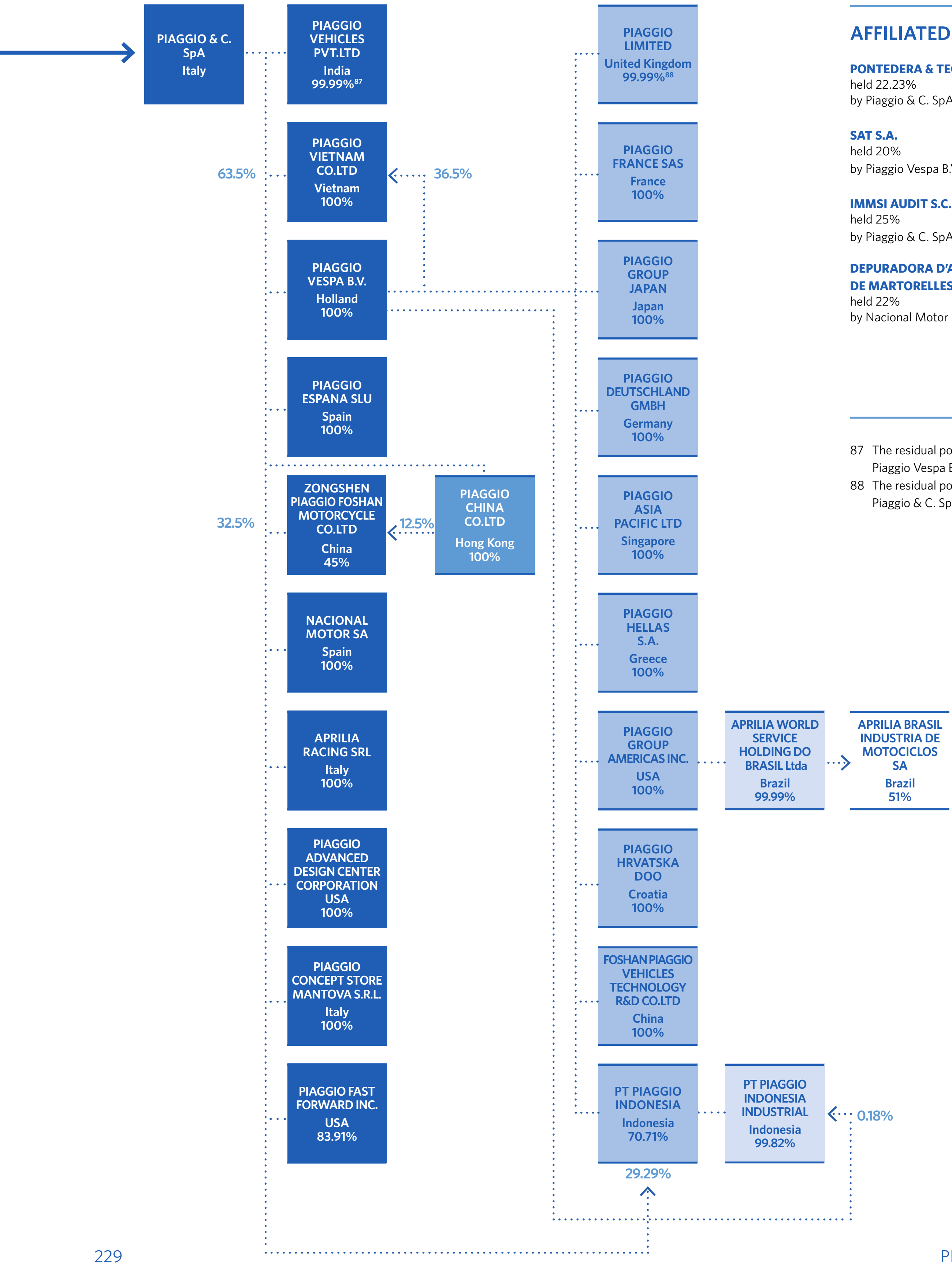
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A) GENERAL ASPECTS

Piaggio & C. S.p.A. (the Company or Parent Company) is a joint-stock company established in Italy at the Register of Companies of Pisa. The address of the registered office is Viale Rinaldo Piaggio 25 - Pontedera (Pisa). The Group's main activity is the manufacture and sale of vehicles.
These Financial Statements are expressed in Euros (€) since this is the currency in which most of the Group's transactions take place. Foreign operations are included in the consolidated financial statements according to the principles indicated in the notes below.

Scope of consolidation

The scope of consolidation has changed compared to the consolidated financial statements as of 31 December 2023, following the establishment of PT Piaggio Indonesia Industrial, created from the spin-off of industrial activities previously held by PT Piaggio Indonesia.



AFFILIATED COMPANIES

PONTEDERA & TECNOLOGIA S.C.A.R.L.
held 22.23%
by Piaggio & C. SpA

SAT S.A.
held 20%
by Piaggio Vespa B.V.

IMMSI AUDIT S.C.A.R.L.
held 25%
by Piaggio & C. SpA

DEPURADORA D'AIGUES DE MARTORELLES
held 22%
by Nacional Motor S.A.

87 The residual portion is held by Piaggio Vespa B.V.

88 The residual portion is held by Piaggio & C. SpA

Compliance with international accounting standards

The Consolidated Financial Statements of the Piaggio Group as of 31 December 2024 have been prepared, in accordance with the provisions of European Regulation No. 1606/2002, in compliance with the International Financial Reporting Standards (IFRS) in force as of 31 December 2024, issued by the International Accounting Standards Board (IASB) and adopted pursuant to Italian and European regulatory provisions, pro tempore in force and applicable, including Commission Delegated Regulation (EU) No 2019/815 of 17 December 2018 (in short, the "ESEF Regulation").
IFRS are all international standards and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). International accounting standards have also been applied consistently for all Group companies.
The financial statements of the subsidiaries, used for consolidation purposes, and that of the joint venture consolidated using the equity method, have been appropriately amended and reclassified, where necessary, to bring them into line with international accounting standards and uniform classification criteria within the Group.

The financial statements are prepared on a historical cost basis, modified as required for the valuation of certain financial instruments, and on a going concern basis. Despite the presence of a factor of macroeconomic instability and increasing geopolitical risks, and taking into account the positive results of the impairment tests approved by the Board of Directors on 26 February 2025, the Group has assessed that there are no significant uncertainties (as defined by paragraph 25 of IAS 1) on its ability to continue as a going concern, also by virtue of the actions already identified to adapt to the changed levels of demand, as well as the Group's industrial and financial flexibility.
These consolidated financial statements are audited by Deloitte & Touche S.p.A.

Other information

A specific section in this Report provides information on any significant events occurring after the end of the period and on the foreseeable operating outlook.

1. CONTENT AND FORM OF THE FINANCIAL STATEMENTS

Form of the Consolidated Financial Statements

The Group has chosen to show all changes generated by transactions with non-shareholders in two statements measuring performance for the period, the 'Consolidated Income Statement' and 'Consolidated Statement of Comprehensive Income', respectively. The financial statements therefore comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Shareholders' Equity, the Consolidated Statement of Cash Flows, and these notes.

Consolidated Income Statement

The Consolidated Income Statement is presented with the items classified by nature. The overall Operating Income is presented, which includes all income and cost components, irrespective of their recurrent nature or whether they are extraneous to ordinary operations, with the exception of the components of financial operations recognised under Operating Income and Profit Before Tax. In addition, revenue and cost components arising from assets held for sale or to be discontinued, including any capital gains and losses net of the tax component, are recognised in a specific line item, preceding Profit attributable to owners of the parent company and to non-controlling interests.

Consolidated Statement of Comprehensive Income

The Consolidated Statement of Comprehensive Income is presented in accordance with the revised version of IAS 1. Components presented under 'Other Comprehensive Income' are grouped according to whether or not they can be reclassified subsequently to profit or loss.

Consolidated Statement of Financial Position

The Consolidated Statement of Financial Position is presented in opposite sections with separate disclosure of Assets, Liabilities and Shareholders' Equity.
In turn, Assets and Liabilities are presented in the consolidated accounts on the basis of their classification as current and non-current.

Statement of Changes in Consolidated Shareholders' Equity

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

Consolidated Statement of Cash Flows

The Consolidated Statement of Cash Flows is divided into cash-flow generating areas. The Statement of Cash Flows adopted by the Piaggio Group has been prepared by applying the indirect method. Cash and cash equivalents included in the cash flow statement comprise the balance sheet balances of this item at the reporting date. Cash flows in foreign currencies were translated at the average exchange rate for the year. Interest paid as well as taxes paid are included in the cash flows generated by operations. Interest received and dividends received are included in the cash flows generated by investing activities. Lastly, dividends paid are included in financing activities.
The opening balance and closing balance of cash and cash equivalents are presented net of short-term bank holdings, as required by IAS No. 7.

Content of the Consolidated Financial Statements

The Consolidated Financial Statements of the Piaggio Group include the Financial Statements of the Parent Company Piaggio & C. S.p.A. and Italian and foreign companies in which it has direct or indirect control, which are listed in the attachments.

As of 31 December 2024, subsidiaries and associates of Piaggio & C. S.p.A. were broken down as follows:

COMPANIES:	SUBSIDIARIES			ASSOCIATES			TOTAL
	ITALY	FOREIGN	TOTAL	ITALY	FOREIGN	TOTAL	
- consolidated on a line-by-line basis	2	21	23				23
- consolidated using the equity method				2	3	5	5
Total companies	**2**	**21**	**23**	**2**	**3**	**5**	**28**

2. PRINCIPLES OF CONSOLIDATION, RELEVANT ACCOUNTING STANDARDS AND MEASUREMENT CRITERIA

2.1 Basis of Consolidation

Assets and liabilities, as well as income and expenses of consolidated companies are recognised on a line-by-line basis, eliminating the carrying amount of consolidated investments against the relevant shareholders' equity at the date of purchase or subscription. The carrying amount of investments has been eliminated against the shareholders' equity of investee companies, allocating to non-controlling interests in specific line items the portion of shareholders' equity and net profit for the period in the case of subsidiaries consolidated on a line-by-line basis.

Subsidiaries

These are companies in which the Group exercises control. This control exists when the Group is exposed to, or has the right to, receive variable returns from its involvement in the enterprise and has the ability to influence those returns through its power over the controlled enterprise. The acquisition of a subsidiary is accounted for using the acquisition method. The cost of the acquisition is determined by the sum of the fair values, at the date control was obtained, of the assets given, the liabilities incurred or undertaken, and the financial instruments issued by the Group in exchange for control of the acquired company.
In the case of business acquisitions, the acquired and identifiable assets, liabilities and contingent liabilities are recognised at their fair value at the date of acquisition. The positive difference between the acquisition cost and the Group's share of the fair value of these assets and liabilities is classified as goodwill and is recognised in the financial statements as an intangible asset. Any negative difference ('negative goodwill') is instead recognised in profit or loss at the time of acquisition.
The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is assumed until such time as control ceases to exist.
The portions of shareholders' equity and income attributable to non-controlling interests are separately indicated in the Consolidated Statement of Financial Position and Consolidated Income Statement respectively.

Associates companies and joint venture agreements

Associates are defined as companies in which the Group exercises significant influence, but not control, over financial and operating policies.
The Group applies IFRS 11 to all joint arrangements. According to IFRS 11, investments in joint arrangements are classified as joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the only joint arrangement currently in place to come under the category of joint ventures.
Under the equity method, an investment in an associate or joint venture is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the investee's profits or losses realised after the acquisition date. The Group's share of the investee company's profit (loss) for the year is recognised in the consolidated income statement. Dividends received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount of the investment are also due to changes in the line items of the statement of other comprehensive income of the investee (e.g. changes resulting from translation differences of foreign currency items). The Group's share of these changes is recognised in other comprehensive income. If the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group discontinues recognising its share of further losses. After the investment is written off, further losses are accrued and recognised as a liability only to the extent that the Group has incurred legal or implicit obligations or has made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently realises profits, the Group resumes recognising its share of the profits only after it has matched its share of unrecognised losses. Gains and losses arising from 'upward' and 'downward' transactions between the Group and an associate or joint venture are recognised in the consolidated financial statements only to the extent of the minority interest in the associate or joint venture. The Group's share of the profits and losses of the associate or joint venture resulting from these transactions is eliminated in the consolidated income statement line item ''income/loss from investments' with the value of the asset, in 'upward' transactions, and the value of the investment, in 'downward' transactions, being offset.

Transactions eliminated in the consolidation process
In preparing the consolidated financial statements, all significant intercompany balances and transactions are eliminated, as are unrealised gains and losses on intercompany transactions. Unrealised gains and losses generated from transactions with associates or jointly controlled enterprises are eliminated in accordance with the value of the Group's interest in those associates or enterprises.

Foreign Currency Transactions
Transactions in foreign currency are recorded at the exchange rate in effect on the date of the transaction. Monetary assets and liabilities in foreign currency are translated at the exchange rate in effect at the reporting date.

Consolidation of foreign companies
The separate financial statements of each Group company are prepared in the currency of the primary economic environment in which it operates (functional currency). For the purposes of the Consolidated Financial Statements, the financial statements of each foreign entity are in euros, which is the Group's functional currency and the presentation currency of the consolidated financial statements.
All assets and liabilities of foreign companies in currencies other than the euro that are included in the scope of consolidation are translated using the exchange rates existing at the reporting date (current exchange rate method). Income and expenses are translated at the average exchange rate for the year. Exchange differences resulting from the application of this method, as well as translation exchange differences resulting from the comparison between the initial shareholders' equity translated at current exchange rates and the translated at historical exchange rates, are recognised in the statement of comprehensive income and are allocated to a specific reserve of shareholders' equity until disposal of the investment. In preparing the consolidated statement of cash flows, average exchange rates were used to translate the cash flows of foreign subsidiaries.
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.

CURRENCY	SPOT EXCHANGE RATE AS OF 31 DECEMBER 2024	AVERAGE EXCHANGE RATE 2024	SPOT EXCHANGE RATE AS OF 31 DECEMBER 2023	AVERAGE EXCHANGE RATE 2023
US Dollar	1.0389	1.08238	1.1050	1.08127
Pounds Sterling	0.82918	0.84662	0.86905	0.869787
Indian Rupee	88.9335	90.55625	91.9045	89.30011
Singapore Dollar	1.4164	1.44581	1.4591	1.45232
Chinese Yuan	7.5833	7.78747	7.8509	7.66002
Japanese Yen	163.06	163.85191	156.33	151.99027
Vietnamese Dong	26,478.00	27,113.48828	26,808.00	25,770.68627
Indonesian Rupiah	16,820.88	17,157.67738	17,079.71	16,479.61561
Brazilian Real	6.4253	5.82828	5.3618	5.40101

2.2 Relevant accounting standards and measurement criteria
The most significant accounting standards and measurement criteria adopted for the preparation of the consolidated financial statements as of 31 December 2024 are illustrated below.

Intangible assets
A purchased and internally produced intangible asset is recognised as an asset, in accordance with IAS 38 - Intangible Assets, only if it is identifiable, controllable and is expected to generate future economic benefits and its cost can be measured reliably.
Intangible assets with a finite life are valued at purchase or production cost less accumulated amortisation and accumulated impairment losses. Financial costs related to the acquisition, construction or production of certain assets that require a significant period of time to be ready for use or sale (qualifying assets) are capitalised together with the asset itself.
Amortisation is referred to the expected useful life and commences when the asset is available for use.

Goodwill
Business combinations are recognised according to the acquisition method. The consideration transferred in a business combination is determined at the date control is assumed and is equal to the fair value of the assets transferred, the liabilities incurred, and any equity instruments issued by the acquirer. The transferred consideration also includes the fair value of any assets or liabilities for contingent considerations that are contractually agreed or subject to the occurrence of future events. Costs directly attributable to the transaction are recognised in profit or loss when incurred.
At the date of acquisition of control, the shareholders' equity of investee companies is determined by assigning their fair value to the

individual identifiable assets and liabilities, except where IFRS provisions establish a different valuation criterion. The difference, if any, between the consideration paid and the fair value of the net assets acquired, if positive, is recognised as 'goodwill', under assets; if negative, the difference is recognised in profit or loss.
In the event that control is not assumed on a full basis, the portion of shareholders' equity of non-controlling interests is determined on the basis of the present values attributed to the assets and liabilities at the date control is assumed or at fair value.
In the case of taking control in stages, the acquisition cost is determined by adding the fair value of the previously held equity interest in the acquiree and the amount paid for the additional equity interest share. The difference between the fair value of the previously held equity investment and its carrying amount is recognised in profit o loss. In addition, upon assumption of control, any amounts previously recognised in other comprehensive income are recognised in profit or loss or in another shareholders' equity item, if no reversal to the income statement is envisaged.
Goodwill cannot be amortised, but is tested for impairment annually or frequently, if specific events take place or changed circumstances indicate that the asset may have been affected by impairment, to identify impairment as provided for by IAS 36 - Impairment of Assets. After initial recognition, goodwill is measured at cost less any impairment losses.
Upon the disposal of a part or all of a business previously acquired and from the acquisition of which goodwill arose, the corresponding residual value of the goodwill is taken into account in determining the gain or loss on disposal.

Development costs

Development costs concerning projects for the production of vehicles and engines are capitalised only if all of the following conditions of IAS 38 are met: costs may be reliably determined and the technical feasibility of the product, volumes and expected prices indicate that the costs incurred in the development phase will generate future economic benefits. Capitalised development costs include only those expenses incurred that may be directly attributed to the development process.
Capitalised development costs are amortised on a systematic basis, starting from the beginning of production over the estimated life of the product.
All other development costs are recognised in profit or loss when incurred.

Other intangible assets

Other purchased or internally generated intangible assets are recognised as assets, in accordance with IAS 38 - Intangible Assets, when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be measured reliably.
These assets are measured at purchase or production cost and amortised on a straight-line basis over their estimated useful life, if they have a finite useful life.
Other intangible assets, recognised following the acquisition of a business, are recognised separately from goodwill if their fair value can be reliably determined.
The amortisation period for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. If the expected useful life of the asset turns out to be different from the estimates previously made, the amortisation period is adjusted accordingly.
The amortisation periods for the various items of Intangible Assets are summarised below:

Development costs[89]	3-5 years
Industrial patent and intellectual property rights	3-5 years
Trademarks[90]	20 years
Licences	10 years
Goodwill	Not amortised
Environmental Certificates	Not amortised
Other[90]	5 years

Other intangible assets also include environmental certificates.

89 Average amortisation period.
90 Average amortisation period (excluding the Guzzi and Aprilia brands, which have been classified as intangible assets with an indefinite useful life since 2021).

Environmental Certificates

The Pontedera plant in Italy falls within the scope of the 'Emission Trading' Directive (Directive 2003/87/EC), which provides for the allocation of a quantity of emission permits generally lower than the emissions recorded in the reference year, with the need for the Parent Company to purchase on the emissions market the necessary quotas for the compliance.
For the purpose of recognising the expenses arising from regulatory obligations relating to ETS certificates, the Group applies the so-called 'net liability approach'.
This accounting treatment requires the certificates obtained free of charge by the Authority to be recorded at nominal value under intangible assets (nil).
In addition, expenses for the purchase, against payment, of certificates required to meet the obligation of the reporting period, i.e. purchased in excess of the amount required to meet regulatory obligations, are capitalised and recognised as intangible assets.

These intangible assets:
- are classified as assets with an indefinite useful life and are not subject to depreciation;
- after initial registration are kept at cost;
- are reversed to Profit and Loss in the relevant period as part of sundry operating expenses, with the necessary quantification to comply with regulations for the reporting period.

Any provision for the estimated expenses to be incurred for the purchase, against payment, of certificates required to meet the obligation of the reporting period, will generate a cost to be recognised in the period when it is accrued, under sundry operating expenses, with a contra-entry in the provision for risks.
If the cost of the certificates to be redelivered to the Authority differs from the estimate made at the end of the reporting period, any difference, if negative (higher cost), is recognised in profit or loss under sundry operating expenses, as a contingent liability in the year when the recognition was made. In the case of a positive difference (lower cost), the differential will generate a contingent asset.

Property, plant and equipment

Property, plant and equipment are recognised at purchase or production cost and are not revalued. Financial costs related to the acquisition, construction or production of certain assets that require a significant period of time to be ready for use or sale (qualifying assets) are capitalised together with the asset itself.
Costs incurred after purchase are capitalised only if they increase the future economic benefits inherent in the asset they refer to. All other costs are recognised in profit or loss when incurred. Property, plant and equipment under construction are recognised at cost and depreciated from the year when they go into operation.
Depreciation is determined, on a straight line basis, on the cost of the assets net of their relative residual values, based on their estimated useful life.
The depreciation periods for the various items of property, plant and equipment are summarised below:

Land	Not depreciation
Buildings	33-60 years
Plant and machinery	5-15 years
Equipment	4-20 years
Other assets	3-10 years

Profits and losses arising from the sale or disposal of assets are measured as the difference between the sale revenue and net carrying amount of the asset and are recognised in profit or loss for the period.

Lease agreements as lessor

Property, plant and equipment leases entered into as lessee require the recognition of an asset representing the right of use of the leased asset and the financial liability for the obligation to make payments under the lease agreement. In particular, the lease liability is initially recognised as equal to the present value of future payments to be made by adopting a discount rate equal to the lease's implicit interest rate or, if this cannot be easily determined, by using the lessee's incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost using the effective interest rate and is remeasured following contractual renegotiations, changes in rates, and changes in the valuation of any contractual options.
If the contract provides for a renewal option in favour of the lessee, the Group also includes the rentals for the renewal period if it is considered highly probable in the calculation of the right of use.
The right of use is initially recorded at cost and then adjusted to take into account recognised depreciation charges, any impairment losses and effects related to any redetermination of lease liabilities.
The right of use is systematically amortised at the lower of the lease agreement and the remaining useful life of the underlying asset.

The Group has decided to adopt certain simplifications, provided for by the Standard, excluding from treatment contracts with a duration of 12 months or less (so-called 'short-term', calculated on the residual duration at the time of first adoption) and those with a value of less than €5,000 (so-called 'low-value').
The Group also has its own production facilities in countries where ownership rights are not permitted. The advance rents, paid to obtain the availability of the land where its production plants are located, are recognised under rights of use.

Impairment

At each reporting date, the Group reviews the carrying amount of its property, plant and equipment, intangible assets and rights of use to determine whether there is any indication that these assets are impaired (impairment testing). Where these indications exist, the recoverable amount of these assets is estimated to determine the amount of the impairment loss. Where it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.
The recoverable amount is the higher of h fair value less costs to sell (if available) and the value in use. In measuring the value in use, estimated future cash flows are discounted to their present value, using a rate that reflects current market assessments of the present value of money and the risks specific to the asset.
If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to the lower recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the asset refers to land or buildings other than investment property recognised at revalued amounts, in which case the loss is recognised in the respective revaluation reserve.
When an impairment loss no longer exists, the carrying amount of the asset (or cash-generating unit), except for goodwill, is increased to the new value resulting from an estimate of its recoverable amount, but not beyond the net carrying amount that the asset would have had if the impairment loss had not been recognised. The reversal of the impairment loss is immediately recognised in profit or loss.
An intangible asset with an indefinite useful life is tested for impairment annually, or more frequently whenever there is an indication that the asset may be impaired.

Transactions with affiliates and related parties

Transactions with affiliates and related parties are presented in the specific sections of the Report on Operations and the Notes to the Consolidated Financial Statements, to which reference is made.

Financial assets

IFRS 9 provides a single approach for the analysis and classification of all financial assets, including those containing embedded derivatives. The classification and related measurement are performed considering both the management model of the financial asset and the contractual characteristics of the cash flows obtainable from the asset. Depending on the characteristics of the instrument and the business model adopted for its management, the following three categories can be identified:
(i) financial assets measured at amortised cost; (ii) financial assets measured at fair value through other comprehensive income (hereinafter also referred to as OCI); (iii) financial assets measured at fair value through profit or loss.

A financial asset is measured using the amortised cost method when both of the following conditions are met:
- the financial asset management model consists of holding the financial asset for the sole purpose of collecting the related cash flows; and
- the financial asset generates, at contractually pre-determined dates, cash flows representing solely the return on the financial asset.

According to the amortised cost method, the initial recognition value is subsequently adjusted for principal repayments, any write-downs and the amortisation of the difference between the repayment value and the initial recognition value.
Amortisation is performed on the basis of the effective internal interest rate, which represents the rate that makes the present value of expected cash flows and the initial recognition value equal at the time of initial recognition.
Receivables and other financial assets measured at amortised cost are presented in the balance sheet net of the related provision for write-down.
Financial assets representing debt instruments whose business model envisages both the possibility of collecting contractual cash flows and the possibility of realising capital gains on disposal (the so-called hold-to-collect and sell business model), are measured at fair value with the effects recognised in OCI.
In this case, changes in the fair value of the instrument are recognised in shareholders' equity, under other comprehensive income. The cumulative amount of changes in fair value, which is recognised in the shareholders' equity reserve, which comprises other comprehensive income, is reversed to profit or loss upon derecognition of the instrument. Interest income calculated using the effective interest rate, exchange rate differences and write-downs are recognised in profit or loss.
A financial asset representing a debt instrument that is not measured at amortised cost or at FVTOCI is measured at fair value with the effects recognised in profit or loss.

Inventories

Inventories, in accordance with IAS 2, are carried at the lower of purchase or production cost, determined by allocating to products the costs directly incurred, plus the portion of indirect costs reasonably attributable to the performance of production activities under normal production capacity use, and market value at the end of the reporting period.
The purchase or production cost is determined according to the weighted average cost method.
The market value is represented, in the case of commodities and work in progress, by the presumed net realisable value of the corresponding finished products minus completion costs; in the case of finished products, the market value is represented by the presumed net realisable value (sales price lists minus sales and distribution costs).
The lower measurement based on market trends is eliminated in subsequent years, if the reasons no longer exist.
Obsolete, slow moving and/or excess inventories are impaired in relation to their possible use or future realisation, in a provision for the write-down of inventories.

Receivables

Trade and other receivables are initially recognised at fair value and subsequently measured according to the amortised cost method, net of the provision for write-downs.
IFRS 9 defines a new impairment/write-down model for these assets, with the aim of providing useful information to financial statement users about the related expected losses. According to this model, the Group assesses credit by adopting an expected loss logic, replacing the IAS 39 framework typically based on the measurement of incurred losses, together with the degree of solvency of individual debtors, also based on the specific characteristics of the underlying credit risk, taking into account available information.
For trade receivables, the Group adopts a simplified approach to the measurement, which does not require the recognition of periodic changes in credit risk, but rather the recognition of an Expected Credit Loss ("ECL") calculated over the entire lifetime of the receivable (lifetime ECL). In particular, the policy implemented by the Group classifies trade receivables into categories on the basis of days past due, defining the allocation according to past experience of bad debts, adjusted to take into account specific forecast factors related to creditors and the economic environment.
Trade receivables are fully written down in the absence of a reasonable expectation of recovery, i.e. in the presence of inactive trade counterparties.
The carrying amount of the asset is reduced through the use of a provision for write-downs and the amount of the loss is recognised in profit or loss.
When payment of amounts due exceeds standard terms of payment granted to clients, the receivable is discounted.

Factoring

The Group sells a significant portion of its trade receivables through factoring transactions and in particular non-recourse factoring. Following these transactions, which provide for the almost total and unconditional transfer to the assignee of the risks and rewards relating to the assigned receivables, the receivables are eliminate from the financial statements.
In the case of assignment where no risks and rewards are transferred, the related receivables are retained in the statement of financial position until the assigned debtor is paid. In this case, any advances collected by the factor are recognised under amounts due to other lenders.

Cash and cash equivalents

This item includes cash on hand, current bank accounts, deposits payable on demand and other high liquidity short term financial investments, which are readily convertible into cash and not affected by any major risk of a change in value. It does not include bank overdrafts repayable on demand.

Treasury shares

Treasury shares are recognised as a reduction of shareholders' equity. The original cost of treasury shares and revenues arising from subsequent sales are recognised as movements of shareholders' equity.

Financial liabilities

Financial liabilities include financial payables, including amounts payable for advances on the sale of receivables, as well as other financial liabilities, including financial derivatives and liabilities for assets recognised regarding finance lease agreements.
Pursuant to IFRS 9, they also include trade and other payables.
Financial liabilities are recognised at fair value less transaction costs. After initial recognition, loans are recognised at amortised cost, calculated by applying the effective interest rate. With the introduction of IFRS 9, in the case of a renegotiation of a financial liability that does not qualify as an 'extinguishment of the original debt', the difference between i) the carrying amount of the liability prior to modification and ii) the present value of the cash flows of the modified debt, discounted at the original rate (IRR), is recognised in profit or loss.
Financial liabilities hedged by derivative instruments are measured at fair value, in accordance with hedge accounting: gains and losses from subsequent mark-valuations at present value are recognised in profit or loss and are offset by the effective portion of the loss and gain from present value valuations of the hedging instrument. Upon initial recognition, a liability may be designated at fair value through profit or loss when such designation eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'accounting asymmetry') that would otherwise result from measuring assets or liabilities or recognising the related gains and losses on different bases. This choice of designation at fair value is exclusively applied to certain financial liabilities in currencies hedged against exchange rate risk.

Derivative instruments and hedge accounting

The Group's activities are primarily exposed to financial risks from changes in exchange rates and interest rates. The Group uses derivative instruments to hedge risks arising from changes in foreign currencies and interest rates in certain firm commitments and planned future transactions. The use of such instruments is regulated by written procedures on the use of derivatives consistent with the Group's risk management policies.
In line with IFRS 9, derivative instruments are initially recognised at fair value, represented by the initial consideration, and adjusted to the fair value at subsequent closing dates. Derivative financial instruments are used solely for the purpose of hedging, in order to reduce exchange rate, interest rate and market price risks. Derivative financial instruments may be accounted for in accordance withhedge accounting only when, at the inception of the hedge, there is a formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, the effectiveness can be reliably measured, and the hedge is highly effective during the various accounting periods for which it is designated. When financial instruments qualify for hedge accounting, the following accounting treatments apply:

- Fair value hedges: If a derivative financial instrument is designated as a hedge of the exposure to changes in the fair value of a recognised asset or liability attributable to a particular risk that may affect profit or loss, the gain or loss arising from subsequent changes in the fair value of the hedging instrument is recognised in profit or loss. The gain or loss on the hedged item attributable to the hedged risk changes the carrying amount of that item and is recognised in profit or loss;
- Cash flow hedges: if an instrument is designated as a hedge of the exposure to variability in cash flows of a recognised asset or liability or a highly probable transaction that could affect profit or loss, the effective portion of any gains or losses on the financial instrument is recognised in other comprehensive income. The cumulative gain or loss is removed from the Statement of Comprehensive Income and recognised in profit or loss in the same period in which the hedged transaction is recognised. The gain or loss associated with a hedge, or that part of a hedge that has become ineffective, is recognised immediately in profit or loss. If a hedging instrument or hedge relationship is terminated, but the hedged transaction has not yet been realised, the cumulative gains and losses, which had been recognised in Shareholders' equity up to that time, are recognised in profit or loss when the related transaction is realised. If the hedged transaction is no longer considered probable, the unrealised gains or losses suspended in the Statement of Comprehensive Income are recognised immediately in profit or loss.

If hedge accounting cannot be applied, gains or losses arising from the fair value measurement of the financial derivative are recognised immediately in profit or loss.

Non current provisions

The Group recognises provisions for risks and charges, pursuant to IAS 37, when it has a legal or implicit obligation to third parties and it is likely that Group resources will have to be used to meet the obligation and when the amount of the obligation itself can be reliably estimated.
Changes in estimates are reflected in the income statement for the period in which the change occurred.
If the effect is considerable, provisions are calculated discounting future cash flows estimated at a discount rate gross of taxes, to reflect current market changes in the fair value of money and specifics risks of the liability.
The warranties provision is accrued when the vehicle is sold, based on the estimated present value of the expected cost of fulfilling the contractual obligations during the warranty period. Estimates are mainly based on historical defect statistics and the Group's experience with the cost of spare parts and services to be incurred in maintenance activities.

Retirement funds and employee benefits

In accordance with IAS 19, the liability relating to benefits recognised to employees and paid on or after termination of employment for defined benefit plans is determined, separately for each plan, on the basis of actuarial assumptions by estimating the amount of future benefits that employees have accrued at the reporting date (the 'projected unit credit method'). The liability, recognised in the financial statements net of any plan assets, is recognised on an accrual basis over the vesting period. The liability is valued by independent actuaries.

The components of the defined benefit cost are recognised as follows:

- service costs are recognised in profit or loss under Employee costs;
- net financial costs of liabilities or assets with defined benefits are recognised in profit or loss as financial income/(financial costs), and are determined by multiplying the value of the net liability/(asset) by the rate used to discount the obligations, taking account of the payment of contributions and benefits during the period;
- the remeasurement components of net liabilities, which include actuarial gain and losses, the return on assets (excluding interest income recognised in profit or loss) and any change in the limit of the assets, are immediately recognised as 'Other comprehensive income (expense)'. These components must not be reclassified in profit or loss in a subsequent period.

Termination benefits

Termination benefits are recognised at the earliest of the following dates: i) when the Group can no longer withdraw the offer of such benefits and ii) when the Group recognises the costs of a restructuring.

Tax assets and tax liabilities

Deferred taxes are determined, in accordance with IAS 12, on the basis of temporary differences between the value of assets and liabilities and their value for tax purposes. Deferred tax assets are recognised only to the extent that it is probable that there will be adequate future taxable income against which these assets can be used. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow for all or part of these assets to be recovered.

Deferred taxes are determined on the basis of the tax rates that are expected to be applied in the period in which these deferrals are realised, taking into account the rates in force or those known to be subsequently adopted. Deferred taxes are recognised directly in profit or loss, except for those taxes related to items recognised directly in the statement of comprehensive income, in which case the related deferred taxes are also recognised in the statement of comprehensive income.

In the case of reserves of undistributed profits of subsidiaries and since the Group is able to control distribution times, deferred taxes are allocated for the reserves when distribution is expected in the future.

Deferred tax assets and liabilities are recognised at their net value when applied by the tax authorities and when they may be lawfully offset in the same tax jurisdiction.

Payables

Payables are recognised at fair value and then measured based on the amortised cost method.

Reverse factoring (Indirect Factoring)

To ensure easy access to credit for its suppliers, the Group has set up factoring agreements, which are mainly supply chain financing or reverse factoring agreements. On the basis of existing contractual formats, the supplier has the option of assigning, at its own discretion, the receivables due from the Group to a bank, and of collecting the amount before maturity.

In some cases, payment terms are extended further in agreements between the supplier and the Group; these extended terms may be interest or non-interest bearing.

To assess the nature of these reverse factoring transactions, the Group has adopted a specific policy. As regards the characteristics of the agreements, which are differentiated on the basis of the territory of origin, the Finance Unit performs a qualitative analysis, at central level, on the agreement clauses, and a legal analysis aimed at assessing the regulatory references and nature of the transaction's assignment (in accordance with IFRS 9 B3.3.1). Moreover, in some cases, since there are extended payment terms, a quantitative analysis is performed to verify the substantiality or otherwise of the change in the contractual terms, by preparing the quantitative test in accordance with IFRS 9 B3.3.6.

According to IAS 1 paragraph 54, trade and other payables must be shown separately from financial payables.

In this context, relations, for which a primary obligation with the supplier is maintained and any deferment, if granted, does not significantly change payment terms, are still classified as trade liabilities.

Revenue recognition

Based on the five-step model introduced by IFRS 15, the Group measures revenues after identifying the contracts with its customers and relative performance to provide (transfer of goods and/or services), after determining the transaction price it considers due in exchange for performance, and evaluating the procedure for satisfying the performance (performance at a given time versus performance over time).
In particular, the Group recognises revenue only if the following requirements are met (so-called 'contract' identification requirements with the customer):

a. the parties to the contract have approved the contract (in writing, orally or in accordance with other customary commercial practices) and have undertaken to perform their respective obligations; thus an agreement exists between the parties that creates enforceable rights and obligations regardless of the form in which that agreement is manifested;
b. the Group may identify the rights of each party with respect to the goods or services to be transferred;
c. the Group may identify the terms of payment for the goods or services to be transferred;
d. the contract has commercial substance; and
e. it is probable that the Group will receive the consideration to which it is entitled in exchange for the goods or services to be transferred to the customer.

If the above requirements are not met, the relevant revenues are recognised when: (i) the Group has already transferred control of the goods and/or rendered services to the customer and all, or substantially all, of the consideration promised by the customer has been received and is non-refundable; or (ii) the contract has been terminated and the consideration received by the Group from the customer is non-refundable.
If the above requirements are met, the Group applies the recognition rules described below.
revenues from the sale of vehicles and spare parts is recognised when control of the asset being transacted is transferred to the purchaser, i.e. when the customer acquires full capacity to decide on the use of the asset as well as to derive substantially all the benefits from it.
Revenues are stated net of discounts, including, but not limited to, sales incentive programmes and customer bonuses, as well as taxes directly related to the sale of goods.
Revenues from services are recognised when rendered.

Grants

Grants for 'plant and equipment' are recorded in the balance sheet when their receipt is certain and are charged to the profit and loss account according to the useful life of the asset against which they are paid.
Operating grants are recorded in the balance sheet when the right to collect them is certain and are charged to the income statement in relation to the costs against which they are paid.

Recognition of costs

The Group has chosen to adopt a scheme based on the classification of costs and expenses by nature.

Financial income

Financial income is recognised on an accrual basis. This item includes interest income on invested funds, exchange rate gains and income from financial instruments, when not offset as part of hedging transactions. Interest income is recognised in profit or loss as it accrues, taking into account the effective yield.

Financial costs

Financial costs are recognised on an accrual basis. The item includes interest expense on financial liabilities calculated using the effective interest rate method, exchange rate losses and losses on derivative financial instruments. The interest expense portion of finance lease payments is recognised in profit or loss, using the effective interest rate method.

Dividends

Dividends recognised in profit or loss, from non-controlling interests, are recognised on an accrual basis, and therefore at the time when, following the resolution to distribute dividends by the subsidiary, the relative right to payment arises.

Income tax

Taxes represent the sum of current and deferred taxes.

Taxes allocated in the financial statements of the individual companies within the scope of consolidation are recognised in the consolidated financial statements, based on the estimated taxable income determined in accordance with national laws in force at the end of the reporting period, taking into account applicable exemptions and tax receivables due. Income taxes are recognised in profit or loss, except for those relating to items directly deducted from or credited to the statement of comprehensive income.

Taxes are recognised in the item 'Tax payables' net of advances and withholding taxes. Taxes due in the event of the distribution of tax-suspension reserves, which are presented in the financial statements of the individual Group companies, are not accrued since their distribution is not envisaged.

In 2022, for a further three years, the Parent Company signed up to the National Consolidated Tax Scheme pursuant to Articles 117 to 129 of the Consolidated Income Tax Act (T.U.I.R.) of which IMMSI S.p.A. is the consolidating company, and to whom other IMMSI Group companies report to. The consolidating company determines a single global income equal to the algebraic sum of taxable amounts (income or loss) realised by individual companies that opt for this type of group taxation.

The consolidating company recognises a receivable from the consolidated company which is equal to the corporate tax to be paid on the taxable income transferred by the latter. Whereas, in the case of companies reporting tax losses, the consolidating company recognises a payable related to corporate tax on the portion of loss actually used to determine global overall income, or calculated as a decrease of overall income for subsequent tax periods, according to the procedures in Article 84, based on the criterion established by the consolidation agreement.

Earnings per share

Basic earnings per share are calculated by dividing the profit or loss attributable to the owners of the Parent Company by the weighted average of ordinary shares outstanding during the period. Diluted earnings per share are calculated by dividing the profit or loss attributable to the owners of the Parent Company by the weighted average of outstanding shares, adjusted for the effects of all potential ordinary shares with dilutive effects. Potentially issuable shares include those linked to stock option plans. In this case, the adjustment to be made to calculate the adjusted number of shares is determined by multiplying the number of stock options by the subscription cost and dividing it by the market price of the share.

Use of estimates

The preparation of the financial statements and relative notes, in accordance with IFRS, requires Management to make estimates and assumptions that have an impact on the amounts of assets and liabilities in the financial statements and on the disclosure concerning potential assets and liabilities at the reporting date. Actual results may differ from these estimates. Estimates are used to assess intangible assets subject to impairment testing (see § Impairment losses), as well as to recognise provisions for bad debts, inventory obsolescence, amortisation, asset write-downs, employee benefits, taxes, restructuring provisions, other provisions and reserves. Estimates and assumptions are reviewed periodically and the effects of any changes are reflected immediately in profit or loss.

It should be noted that in the current climate of global economic and financial instability, the assumptions made about future trends are characterised by significant uncertainty. Therefore, it cannot be ruled out that results in the next financial year will be different from those estimated, which may require adjustments, even significant, that cannot be foreseen or estimated at present.

The critical measurement processes and key assumptions used by the Group in adopting IFRS and that may have a significant impact on figures in the Consolidated Financial Statements or for which a risk exists that significant differences in value may arise in relation to the carrying amount of assets and liabilities in the future are summarised below.

Recoverable value of non-current assets

Non-current assets include Property, Plant and Equipment, Goodwill, Other Intangible Assets, Investments and Other Financial Assets. The Group periodically reviews the carrying amount of non-current assets held and used and assets to be disposed of, when facts and circumstances require such a review. For Goodwill, this analysis is carried out at least once a year and whenever required by facts and circumstances. The analysis of the recoverability of the carrying amount of Goodwill is generally performed using estimates of the expected cash flows from the use or sale of the asset and appropriate discount rates to calculate the present value. When the carrying amount of a non-current asset is impaired, the Group recognises an impairment loss equal to the excess of the carrying amount of the asset over its recoverable amount through use or sale of the asset, determined by referring to the cash flows inherent in the most recent business plans. The procedure for determining the impairment of property, plant and equipment, intangible assets, including Goodwill, and rights of use described in the section "Impairment of Non-Financial Assets" implies the use of certain assumptions in estimating value in use: i) the cash flow forecast for a four-year time horizon derived from budget data for the financial year 2025 supplemented by forecast data for the period 2026 - 2028; ii) the determination of an appropriate discount rate (WACC) and iii) the determination of a long-term growth rate (g-rate). In addition to the above, the Piaggio Group is assessing the risks and opportunities related to climate change, and in 2023 presented a Decarbonisation Plan with a time horizon of 2030 which sets out the actions to be pursued in order to achieve the objectives set in terms of reducing Scope 1 and Scope 2 emissions, mainly by making company processes more efficient

and by supplying energy from renewable sources, as well as by installing new photovoltaic systems for the production and self-supply of electricity.
From this perspective, it should be noted that the Piaggio Group in 2024 carried out a climate risk analysis for the main production plants in 2024, with the support of a leading consulting firm. This analysis did not reveal any critical issues related to climatic factors.
Potential impacts related to the physical risks associated with climate change are managed by the Group through the continuous renovation of facilities, as well as by taking out specific insurance coverage for the various sites, based on their relative importance.
For more information, please refer to the specific paragraph in Note 16 Intangible Assets below.

<u>Recoverability of deferred tax assets</u>
The Group has deferred tax assets on deductible temporary differences and theoretical tax benefits for losses that may be carried forward. In determining the estimated recoverable amount, the Group took into account the results of the business plan consistent with those used for impairment testing purposes. The net deferred tax assets thus recognised refer to temporary differences and tax losses that, to a significant extent, may be recovered over an indefinite period of time that goes beyond the time horizon implicit in the aforementioned forecasts, given the uncertain macroeconomic environment. In should be noted that Piaggio & C. SpA is part of the National Consolidated Tax Convention of the IMMSI Group, therefore the recoverability of deferred tax assets is related not only to the company's forecast results, but also to the taxable income of the companies included in the aforesaid Convention.

<u>Pension plans and other post-employment benefits</u>
Provisions for employee benefits and net financial borrowing costs are measured using an actuarial method that requires the use of estimates and assumptions to determine the net value of the obligation. The actuarial methodology considers parameters of a financial nature, such as, for example, the discount rate and growth rates of salaries, and considers the probability of occurrence of potential future events through the use of parameters of a demographic nature, such as, for example, mortality rates and employee resignation or retirement. The assumptions used for the measurement are explained in section 30 'Retirement funds and employee benefits'.

<u>Provision for bad debts</u>
The provision for bad debts reflects management's estimate of the expected losses related to receivables. The Group adopts the simplified approach of IFRS 9 and recognises expected losses for all trade receivables based on the residual duration, defining the allocation based on the historical experience of credit losses, adjusted to take into account specific forecasts referred to creditors and the economic environment (Expected Credit Loss – ECL concept).

<u>Provision for obsolete inventories</u>
The provision for obsolete inventories reflects management's estimate of the Group's expected impairment losses, determined on the basis of past experience. Abnormal market price trends could be reflected in future inventory write-downs.

<u>Provision for product warranties</u>
At the time the product is sold, the Group sets aside provisions for estimated product warranty costs. The estimate of this fund is calculated on the basis of historical information on the nature, frequency and average cost of work under warranty.

<u>Contingent liabilities</u>
The Group recognises a liability for ongoing litigation and lawsuits when it believes it is probable that a financial outlay will be incurred and when the amount of resulting losses can be reasonably estimated. If a financial outlay becomes possible but its amount cannot be determined, this fact is disclosed in the notes to the financial statements. The Group is subject to legal and tax proceedings involving complex and difficult legal issues, which are subject to varying degrees of uncertainty, including the facts and circumstances surrounding each case, jurisdiction and different applicable laws. Due to the uncertainties surrounding these issues, it is difficult to predict with certainty the outlay that will result from such litigation, and it is therefore possible that the value of the Group's provisions for legal proceedings and litigation may change as a result of future developments in ongoing proceedings.
The Group monitors the status of pending cases and consults with its legal and tax advisors.

Depreciation

The cost of fixed assets is depreciated on a straight-line basis over their estimated useful life, which coincides, for rights of use, with the assumed duration of the contract. The economic useful life of the Group's fixed assets is determined by the Directors at the time of purchase; it is based on the historical experience gained over the years and knowledge of any technological innovations that may render the asset obsolete and no longer economically viable.
The Group periodically evaluates technological and industry changes to update the remaining useful life. This periodic update could lead to a change in the depreciation period and thus also in the depreciation rate for future years.

Income tax

The Group is subject to various income tax laws in several jurisdictions. The determination of the Group's tax liability requires the use of management assessments of transactions whose tax implications are uncertain at the end of the reporting period. The Group recognises liabilities, which might arise from future inspections by tax authorities, based on the estimated taxes that will be due. Should the outcome of the above inspections differ from that estimated by management, this could have a significant impact on current and deferred taxes.

Rounding off

All amounts shown in the tables and in these notes have been rounded to the nearest thousand euros.

Climate Change Information

In a regulatory context in which the European Union has developed a strategy aimed at more sustainable economic models, aimed at achieving the 2050 climate neutrality target, the Piaggio Group has initiated a process aimed at:
- the identification and analysis of risks and opportunities arising from climate change in line with the Paris Agreement (as more fully described in the 'Risks and Uncertainties' section of the Report on Operations and the Consolidated Sustainability Statement), which could affect the application of applicable accounting standards;
- the assessment of potential impacts on financial statement valuations.

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

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group as of 1 January 2024:
- On 23 January 2020, the IASB published an amendment called '**Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current**' and on 31 October 2022 published an amendment called 'Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants'. These amendments aim to clarify how to classify payables and other short- or long-term liabilities. In addition, the amendments also improve the information that an entity must provide when its right to defer settlement of a liability for at least twelve months is subject to compliance with certain parameters (i.e. covenants).
- On 22 September 2022, the IASB published an amendment called '**Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback**'. The document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction so as not to recognise an income or loss that relates to the retained right of use.
- On 25 May 2023, the IASB published an amendment entitled '**Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements**'. The document requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of financial statements to evaluate how financial arrangements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's exposure to liquidity risk.

The application of the above amendments did not have impact on the Consolidated Financial Statements or on financial disclosure.

2.4 IFRS accounting standards, amendments and interpretations endorsed by the European Union as of 31 December 2024, not yet mandatorily applicable and not adopted in advance of 31 December 2024

On 15 August 2023, the IASB published '**Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability**'. The document requires an entity to consistently apply a methodology for verifying whether one currency can be converted into another and, when this is not possible, explains how to determine the exchange rate to be used and the disclosures to be made in the notes to the financial statements. The amendments will apply from 1 January 2025, but early adoption is permitted.

The directors are currently evaluating the possible effects of the introduction of this amendment on the Group's consolidated financial statements.

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

At the reporting date, the competent bodies of the European Union have not yet completed the endorsement process necessary for the adoption of the amendments and principles described below.

- On 9 April 2024, the IASB published a new standard '**IFRS 18 Presentation and Disclosure in Financial Statements**', which will replace IAS 1 Presentation of Financial Statements. The new standard aims to improve the presentation of the main financial statements and introduces important changes with regard to the income statement. In particular, the new standard:
  - requires revenues and costs to be classified into three, new categories (operating section, investment section and financial section), in addition to the tax and discontinued operations categories already present in the income statement;
  - presents two new sub-totals, operating profit and earnings before interest and taxes (i.e. EBIT).

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

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

- On 9 May 2024, the IASB published a new standard '**IFRS 19 Subsidiaries without Public Accountability: Disclosures**'. The new standard introduces some simplifications for the disclosure required by the IFRS in the financial statements of a subsidiary that meets the following requirements:
  - the subsidiary has not issued equity or debt instruments listed on a regulated market and is not in the process of issuing them;
  - its parent company prepares consolidated financial statements in accordance with IFRS.

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

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

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

- On 18 July 2024, the IASB published the '**Annual Improvements to IFRS Accounting Standards-Volume 11**', which contains clarifications, simplifications, corrections and amendments to the IFRS accounting standards aimed at improving consistency. The accounting standards concerned are: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows.
  The amendments will apply from 1 January 2026. Early adoption is permitted.

- On 18 December 2024, the IASB published an amendment entitled '**Contracts Referencing Nature-dependent Electricity - Amendment to IFRS 9 and IFRS 7**'. The document aims to support entities in reporting the financial effects of renewable electricity purchase agreements (often structured as Power Purchase Agreements). On the basis of these agreements, the amount of electricity generated and purchased can vary depending on uncontrollable factors such as weather conditions. The IASB has made targeted amendments to IFRS 9 and IFRS 7. These include:
  - a clarification regarding the application of the 'own use' requirements to this type of agreements;
  - the criteria for allowing such agreements to be accounted for as hedging instruments; and,
  - new disclosure requirements to enable users of financial statements to understand the effect of these agreements on an entity's financial performance and cash flows.

The amendments will apply from 1 January 2026, but early adoption is permitted.

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.

B) SEGMENT REPORTING

3. Operating segment reporting

The organisational structure of the Group is based on 3 Geographic Segments, involved in the production and sale of vehicles, spare parts and assistance in areas under their responsibility: EMEA and Americas, India and Asia Pacific 2W. Operating segments are identified by management, in line with the management and control model used.
In particular, the structure of disclosure corresponds to the structure of periodic reporting analysed by the Chief Executive Officer, considered to be the Chief Operating Decision Maker ('CODM') as defined under IFRS 8 — Operating Segments, for business management purposes, for the purposes of allocating resources and assessing the performance of the Group.
Each Geographic Segment has production sites and a sales network dedicated to customers in that geographic segment. In particular:

- EMEA and Americas have production sites and deal with the distribution and sale of two-wheeler and commercial vehicles;
- India has production sites and deals with the distribution and sale of two-wheeler and commercial vehicles;
- Asia Pacific 2W has production sites and deals with the distribution and sale of two-wheeler vehicles.

Central structures and development activities currently dealt with by EMEA and Americas, are handled by individual segments.

The Industrial gross margin is the key profit measure used by the CODM to assess performance and allocate resources to the Group's operating segments, as well as to analyse operating trends, perform analytical comparisons and benchmark performance between periods and among the segments. The Industrial gross margin is defined as the difference between Net Revenues and the corresponding Cost to sell of the period.

INCOME STATEMENT BY OPERATING SEGMENT

		EMEA AND AMERICAS	INDIA	ASIA PACIFIC 2W	TOTAL
Sales volumes (unit/000)	2024	234.5	146.3	100.9	**481.6**
	2023	262.1	151.7	145.8	**559.5**
	Change	(27.7)	(5.4)	(44.9)	**(77.9)**
	Change %	-10.5%	-3.6%	-30.8%	**-13.9%**
Net revenues (millions of Euros)	2024	1,095.4	348.2	257.7	**1,701.3**
	2023	1,241.8	362.3	381.0	**1,985.1**
	Change	(146.3)	(14.2)	(123.3)	**(283.7)**
	Change %	-11.8%	-3.9%	-32.4%	**-14.3%**
Cost to sell (millions of Euros)	2024	766.3	272.9	165.1	**1,204.2**
	2023	877.9	301.3	240.7	**1,419.9**
	Change	(111.6)	(28.4)	(75.6)	**(215.7)**
	Change %	-12.7%	-9.4%	-31.4%	**-15.2%**
Industrial gross margin[91] (millions of Euros)	2024	329.1	75.3	92.7	**497.1**
	2023	363.8	61.1	140.3	**565.2**
	Change	(34.7)	14.2	(47.6)	**(68.0)**
	Change %	-9.5%	23.3%	-33.9%	**-12.0%**
Industrial gross margin on net revenues (%)	2024	30.0%	21.6%	36.0%	**29.2%**
	2023	29.3%	16.9%	36.8%	**28.5%**

91 Industrial gross margin: Difference between Net Revenues and Cost to sell for the period including: the cost of materials (direct and consumables), ancillary purchase costs (transportation costs for raw materials and goods, customs, stock handling costs), employee costs for direct and indirect labour and related expenses, work performed by third parties, energy costs, depreciation of plant and machinery and industrial equipment, external maintenance and cleaning costs net of other related income.


PORTOFIN

C) INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

4. Net revenues €/000 1,701,322

The Group's revenues mainly consist of income from the sale of 2-wheeler vehicles, 3- and 4-wheeler light commercial vehicles and related spare parts and accessories.
Revenues are shown net of premiums and discounts granted to customers (dealers).
This item does not include transport costs, which are recharged to customers (€/000 41,479) and invoiced advertising cost recoveries (€/000 5,714), which are posted under other operating income.

Revenues by geographic segment

The breakdown of revenues by geographic segment is shown in the following table:

IN THOUSANDS OF EUROS	2024		2023		CHANGES	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
EMEA and Americas	1,095,437	64.4	1,241,762	62.6	(146,325)	-11.8
India[92]	348,175	20.5	362,336	18.3	(14,161)	-3.9
Asia Pacific 2W	257,710	15.1	380,962	19.1	(123,252)	-32.4
Total	**1,701,322**	**100.0**	**1,985,060**	**100.0**	**(283,738)**	**-14.3**

Revenues by vehicle type

IN THOUSANDS OF EUROS	2024		2023		CHANGES	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
Two-wheelers	1,298,284	76.3	1,533,363	77.2	(235,079)	-15.3
Commercial Vehicles	403,038	23.7	451,697	22.8	(48,659)	-10.8
Total	**1,701,322**	**100.0**	**1,985,060**	**100.0**	**(283,738)**	**-14.3**

In 2024, net revenues decreased by 14.3% compared to the previous year. For a more detailed analysis of trends in individual geographic segments, please refer to the description in the Report on Operations.

5. Costs for materials €/000 1,059,985

The decrease in Costs for materials compared to 2023 (-15.9%) was mainly due to the drop in production volumes.
The item includes €/000 14,398 (€/000 21,208 in 2023) for the purchase of 2-Wheeler vehicles from the Chinese affiliate Zongshen Piaggio Foshan Motorcycle Co. Ltd, which are sold on European and Asian markets.
The following table details the content of this item:

IN THOUSANDS OF EUROS	2024	2023	CHANGE
Raw, ancillary materials, consumables and goods	1,051,645	1,214,848	(163,203)
Change in inventories of raw, ancillary materials, consumables and goods	18,928	37,445	(18,517)
Change in work in progress of semi-finished and finished products	(10,588)	7,579	(18,167)
Total	**1,059,985**	**1,259,872**	**(199,887)**

92 As a result of the contractual changes made from 2024 onwards to sell-out promotions for the Indian market, the costs of these promotions, which were previously allocated to services, are now recognised as a deduction of revenues. Although the value is to be considered negligible, €/000 9,525 was reclassified from the cost of services to lower revenue in 2023, in order to allow for a better comparability with 2024 figures.

6. Costs for services and use of third-party assets €/000 256,733

Below is a breakdown of this item:

IN THOUSANDS OF EUROS	2024	2023	CHANGE
Employee costs	13,598	15,047	(1,449)
External maintenance and cleaning costs	9,536	9,571	(35)
Energy and telephone costs	13,035	16,261	(3,226)
Postal expenses	661	740	(79)
Commissions payable	752	1,064	(312)
Advertising and promotion [93]	36,111	41,128	(5,017)
Technical, legal and tax consultancy and services	33,253	30,704	2,549
Company boards operating costs	2,524	3,050	(526)
Insurance	5,703	5,368	335
Insurance from related parties	54	65	(11)
Outsourced manufacturing	28,687	31,727	(3,040)
Outsourced services	20,681	19,360	1,321
Transport costs (vehicles and spare parts)	42,508	49,002	(6,494)
Sundry commercial expenses	5,951	6,970	(1,019)
Expenses for public relations	2,483	2,611	(128)
Product warranty costs	2,134	1,584	550
Quality-related events	999	2,275	(1,276)
Bank costs and factoring charges	6,653	6,887	(234)
Other services	12,370	11,868	502
Services from related parties	1,175	1,292	(117)
Cost for use of third-party assets	17,781	17,466	315
Cost for use of related parties assets	84	96	(12)
Total costs for services and use of third-party assets	**256,733**	**274,136**	**(17,403)**

Costs for services and use of third-party assets showed a 6.3% reduction compared to last year, clearly representing the productivity and efficiency efforts made to balance the decrease in sales volumes.
The item "Other services" includes costs for temporary work of €/000 618.

7. Employee costs €/000 252,561

Employee costs include €/000 2,552 relating to costs for redundancy plans defined during the year, mainly for the Pontedera and Noale production sites.

IN THOUSANDS OF EUROS	2024	2023	CHANGE
Salaries and wages	189,730	195,286	(5,556)
Social security contributions	49,945	48,114	1,831
Termination benefits	9,035	8,965	70
Other costs	3,851	3,782	69
Total	**252,561**	**256,147**	**(3,586)**

93 As a result of the contractual changes made from 2024 onwards to sell-out promotions for the Indian market, the costs of these promotions, which were previously allocated to services, are now recognised as a deduction of revenues. Although the value is to be considered negligible, €/000 9,525 was reclassified from the cost of services to lower revenue in 2023, in order to allow for a better comparability with 2024 figures.

Below is a breakdown of the headcount by actual number and average number:

	AVERAGE NUMBER		
LEVEL	2024	2023	CHANGE
Senior management	118.2	114.6	3.6
Middle management	678.0	686.6	(8.6)
White collars	1,622.7	1,638.9	(16.2)
Blue collars	3,666.8	3,791.9	(125.1)
Total	**6,085.7**	**6,232.0**	**(146.3)**

	NUMBER AS OF		
LEVEL	31 DECEMBER 2024	31 DECEMBER 2023	CHANGE
Senior management	119	112	7
Middle management	675	692	(17)
White collars	1,608	1,627	(19)
Blue collars	3,319	3,494	(175)
Total	**5,721**	**5,925**	**(204)**

At 31 December 2024, the Group had 5,721 employees[94], an overall decrease of 3.4% compared to 31 December 2023.

Changes in employee numbers in the two periods are compared below:

LEVEL	AS OF 31.12.23	INCOMING	LEAVERS	CHANGES IN JOB QUALIFICATION	AS OF 31.12.24
Senior management	112	7	(6)	6	119
Middle management	692	54	(95)	24	675
White collars	1,627	205	(200)	(24)	1,608
Blue collars	3,494	1,478	(1,647)	(6)	3,319
Total	**5,925**	**1,744**	**(1,948)**	**0**	**5,721**

BREAKDOWN OF THE WORKFORCE BY GEOGRAPHIC SEGMENT AS OF 31 DECEMBER 2024

94 Of which 403 were fixed-term contracts.

8. Amortisation/Depreciation, and Impairment Costs €/000 138,938

Below is a summary of amortisation/depreciation for the year, broken down by category:

IN THOUSANDS OF EUROS	2024	2023	CHANGE
PROPERTY, PLANT AND EQUIPMENT:			
Buildings	5,466	5,587	(121)
Plant and machinery	22,416	21,874	542
Industrial and commercial equipment	14,637	15,504	(867)
Other assets	10,128	9,623	505
Total depreciation of property, plant and equipment and impairment costs	**52,647**	**52,588**	**59**

IN THOUSANDS OF EUROS	2024	2023	CHANGE
INTANGIBLE ASSETS:			
Development costs	32,317	35,201	(2,884)
Industrial Patent and Intellectual Property Rights	43,462	46,132	(2,670)
Concessions, licences, trademarks and similar rights	66	66	0
Other	277	171	106
Total amortisation of intangible assets and impairment costs	**76,122**	**81,570**	**(5,448)**

IN THOUSANDS OF EUROS	2024	2023	CHANGE
RIGHTS OF USE:			
Land	183	187	(4)
Buildings	6,919	6,951	(32)
Plant and machinery	855	856	(1)
Equipment	413	413	0
Other assets	1,799	1,765	34
Total depreciation of rights of use	**10,169**	**10,172**	**(3)**

As specified in more detail in the section on intangible assets, impairment testing of goodwill confirmed the full recoverability of the values expressed in the financial statements.
Impairment costs of intangible assets refer to a new vehicle project for which production plans were revised as part of the Business Plan update prepared by the Group.
During the year, the European Community decided to postpone the entry into force of the EURO7 standard for 4-wheeler commercial vehicles, which includes the Porter NP6, until 2030. The company, from as early on as 2022, had started the technical analysis of the individual vehicle components and related equipment to verify the possibility of using them over a longer period of time, in light of the start of the investment that envisages the adoption of all active and passive safety systems on combustion engine vehicles from July 2024 and the development of the new electric Porter NPE. Following all the analyses carried out, and on the basis of the experience gained in previous years, Piaggio has therefore defined new amortisation plans on a forward-looking basis starting from the current year, until 2029.
The categories involved relate to both intangible assets and property, plant and equipment. The effect of this change is as follows:

IN THOUSANDS OF EUROS	2024	2025	2026	2027	2028	2029
(DECREASE)/INCREASE IN DEPRECIATION/AMORTISATION						
Amortisation of intangible assets	(2,329)	(8,645)	1,959	3,077	3,078	2,860
Depreciation of property, plant and equipment	(897)	(352)	282	323	323	321
Total change	**(3,226)**	**(8,997)**	**2,241**	**3,400**	**3,401**	**3,181**

9. Other operating income €/000 179,672

This item consists of:

IN THOUSANDS OF EUROS	2024	2023	CHANGE
Operating grants	9,633	9,041	592
Increases in fixed assets for internal work	67,552	59,046	8,506
Rents	5,244	3,168	2,076
Capital gains on the disposal of assets	848	2,419	(1,571)
Sale of miscellaneous materials	1,093	1,273	(180)
Recovery of transport costs	41,479	45,308	(3,829)
Advertising income	5,714	5,580	134
Recovery of sundry costs	5,210	4,924	286
Sundry damage reimbursement	6,936	1,248	5,688
Compensation for quality-related events	653	1,085	(432)
Licence rights and know-how	2,980	3,031	(51)
Sponsorship	8,561	7,438	1,123
Provision of Racing services	4,181	3,135	1,046
Other income	19,253	11,315	7,938
Other Group income	335	360	(25)
Total	**179,672**	**158,371**	**21,301**

The operating grants mainly includes:
- €/000 2,625 of public and EU grants to support research projects and government grants related to Research and Development, Technological Innovation and Design and Aesthetic Concepts. These grants are recognised in profit or loss, strictly relating to the amortisation and depreciation of capitalised costs for which they were received;
- €/000 1,961 of export grants received from the Indian affiliate;
- €000 4,064 of grants for participation in MotoGP races paid by the organisers;
- €/000 304 of grants for professional training provided by the trade association;
- €/000 508 of operating grants for investments in plant, property and equipment and Industry 4.0.

The item "sponsorship" relates to the activities of the Aprilia Racing team.
The increase in the item Sundry damage reimbursement is mainly related to the recognition of an insurance indemnity for the flood that hit the Pontedera plant in November 2023.
Other income includes grants of €/000 2,452 granted by the Indian government to the subsidiary Piaggio Vehicles Private Limited for investments made during previous years and recognised in profit or loss in proportion to the depreciation and amortisation of assets for which the grant was given. The recognition of these amounts is supported by appropriate documentation received from the Government of India, certifying that the entitlement has been recognised and therefore that collection is reasonably certain.
The item also includes compensation received from a competitor after winning a lawsuit for the infringement of certain Piaggio patents.

10. Impairment of trade and other receivables, net €/000 (3,119)

This item consists of:

IN THOUSANDS OF EUROS	2024	2023	CHANGE
Write-backs	1,153	30	1,123
Losses on receivables	(1,202)	(48)	(1,154)
Impairment of receivables in working capital	(3,070)	(3,896)	826
Total	**(3,119)**	**(3,914)**	**795**

11. Other Operating Costs €/000 21,922

This item consists of:

IN THOUSANDS OF EUROS	2024	2023	CHANGE
Provisions for future risks	750	2,620	(1,870)
Provisions for product warranties	10,989	11,333	(344)
Duties and taxes not on income	4,498	4,238	260
Miscellaneous membership contributions	1,510	1,513	(3)
Capital losses from disposal of assets	35	35	0
Miscellaneous expenses	3,777	4,010	(233)
Costs for ETS certificates	363	617	(254)
Total sundry operating costs	*10,183*	*10,413*	*(230)*
Total	**21,922**	**24,366**	**(2,444)**

The item Costs for ETS certificates refers to accruals related to charges for the purchase of these certificates. These provisions are made on the basis of the best estimate of the number of certificates that the Parent Company will have to return to the Authority valued at the market price recognised at the end of the financial year. In fact, the Pontedera plant in Italy comes under the scope of application of the 'Emission Trading' Directive (Directive 2003/87/EC), which provides for the allocation of a quantity of emission permits generally lower than the emissions recorded in the reference year, with the need for the Company to purchase the necessary quotas for the purpose of compliance on the emissions market.

Provisions for future risks include management's best estimate of probable liabilities at the reporting date.

12. Results of associates - Income/(losses) €/000 (1,611)

Results of associates is broken down as follows:
- €/000 (1,659) Group's share of the result of the joint venture Zongshen Piaggio Foshan Motorcycle Co. Ltd accounted for using the equity method;
- €/000 14 Group's share of the result of the affiliated company Pontech accounted for using the equity method;
- €/000 34 dividends received from the minority shareholding in Ecofor Service Pontedera.

13. Net financial income (financial costs) €/000 (48,768)

Financial income and costs are detailed below:

IN THOUSANDS OF EUROS	2024	2023	CHANGE
Income:			
- Interest income from customers	275	380	(105)
- Interest income from deposits	2,221	1,525	696
- Income from fair value measurements	6	2	4
- Others	179	-	179
Total financial income	**2,681**	**1,907**	**774**
Expenses:			
- Interest on bank accounts	6,159	4,676	1,483
- Interest on debenture loans	16,769	14,919	1,850
- Interest on bank loans	16,986	12,710	4,276
- Interest to other lenders	9,788	8,895	893
- Interest to suppliers	3,011	3,373	(362)
- Cash discounts to clients	370	398	(28)
- Bank charges on loans	1,164	1,118	46
- Financial costs from fair value measurements	6	2	4
- Financial costs from discounting back termination and termination benefits	727	840	(113)
- Interest on rights of use (finance leases)	148	195	(47)
- Interest on rights of use (operating leases)	1,466	1,521	(55)
- Interest to parent companies on rights of use	442	74	368
- Others	6	16	(10)
Total financial costs	**57,042**	**48,737**	**8,305**
Costs capitalised on property, plant and equipment	(943)	(586)	(357)
Costs capitalised on intangible assets	(5,726)	(3,758)	(1,968)
Total capitalised costs	**(6,669)**	**(4,344)**	**(2,325)**
Total net financial costs	**50,373**	**44,393**	**5,980**
Exchange gains	17,013	24,801	(7,788)
Exchange losses	(18,089)	(26,912)	8,823
Total net exchange-rate gains/(losses)	**(1,076)**	**(2,111)**	**1,035**
Net financial income (financial costs)	**(48,768)**	**(44,597)**	**(4,171)**

The balance of financial income (costs) for 2024 was negative by €/000 48,768. The deterioration compared to the values for the corresponding period of the previous year (€/000 44,597) is due to the increase in interest rates amplified by the effect of the refinancing of the "€250,000,000 3.625% Senior Notes due 2025" debenture loan, carried out by Piaggio & C S.p.A. on 5 October 2023, according to the terms indicated in the Conditional Notice of Redemption. The incremental change in financial expenses was partially mitigated by the positive impact of currency management and the increased capitalisation of charges on fixed assets.

Financial costs of €/000 6,669 were capitalised in 2024 (in the previous year financial costs of €/000 4,344 were capitalised).
The average rate used during 2024 for capitalising financial costs (since there were general loans) was 5.31%.
Interest paid to other lenders mainly refers to interest paid to factoring companies and banks for the sale of trade receivables.

14. Income taxes €/000 30,132

Details of the item Income Taxes are given below:

IN THOUSANDS OF EUROS	2024	2023	CHANGE
Current taxes	32,270	40,344	(8,074)
Deferred taxes	(2,138)	3,935	(6,073)
Total	**30,132**	**44,279**	**(14,147)**

In 2024, taxes in the pre-tax result came to 31.0% (32.7% in 2023).

The item current taxes includes net income from tax consolidation amounting to €/000 12,095.
The amount is mainly attributable to the use of tax receivables for income generated abroad for which the conditions for offsetting against current taxes due on taxable income occurred during the year.

The deferred tax portion was therefore generated during the year as follows:

1. Provisions for deferred tax assets related to tax losses and temporary changes for misalignments mainly related to depreciation, amortisation, write-downs and provisions of the year for €/000 -14,022;
2. The use of deferred tax assets related to tax losses and temporary changes for misalignments mainly related to depreciation, amortisation, write-downs and provisions of previous years for €/000 11,542;
3. The allocation of deferred tax liabilities for the year of €/000 12,670, due mainly to depreciation and amortisation and dividends;
4. The use of deferred tax liabilities from previous years for €/000 -12,328.

The reconciliation with the theoretical rate is shown in the table below:

IN THOUSANDS OF EUROS	2024	2023
Profit before tax	97,357	135,331
Theoretical rate	24.00%	24.00%
Theoretical income taxes	23,366	32,480
Effect of tax changes and the difference between foreign tax rates and the theoretical rate	3,660	(1,881)
Tax effect of losses for the year which were not offset	4,524	5,576
Tax effect of deferred taxes	(2,138)	3,935
Taxes on income earned abroad	8,062	5,614
Expenses/(Income) from consolidation	(12,095)	(3,861)
Regional business tax (IRAP) and other local taxes	3,982	4,810
Other differences	771	(2,394)
Income tax recognised in the financial statements	**30,132**	**44,279**

Theoretical taxes were determined by applying the corporate income tax (IRES) rate in force in Italy (24%) to the profit before tax. The impact of the IRAP rate and other taxes paid abroad was determined separately as these taxes are not calculated on the basis of the pre-tax result.

Since from the 2024 tax period, the Piaggio Group, as part of the larger Omniaholding S.p.A. Group, has been required to apply the regulations in Italian Legislative Decree no. 209 of 27 December 2023, which transposes the EU Directive 2022/2523 into national law, in accordance with the OECD's 'Tax Challenges Arising from the Digitalisation of the Economy - Global Anti-Base Erosion Model Rules' (Pillar Two).
This international regulation aims to ensure that multinational groups with consolidated revenues of €750 million or more are subject to an Effective Tax Rate (ETR) of no less than 15% in each jurisdiction in which they operate; if the ETR calculated under the Pillar Two rules for a jurisdiction is less than 15%, the group is required to pay a top-up tax to reach the minimum tax threshold.
In this regulatory context, Piaggio & C. S.p.A. (the Company) qualifies as a Partially-Owned Parent Entity ("POPE"), and Omniaholding S.p.A. qualifies as an "Ultimate Parent Entity" or "UPE".
The Pillar Two rules also provide for a transitional period during which groups subject to the above-mentioned regulations have the option of being exempted from the complex calculations for the determination of the ETR, by performing certain tests, called 'Transitional CbCR

Safe Harbors' ('TCSH'), applicable in the first three tax periods following the entry into force of the rules. It is sufficient for at least one of the TCSH to be met for the jurisdiction in which the group operates, in order for the supplementary tax due for that jurisdiction to be zero.
The Omniaholding Group, as required by IAS 12 (in particular as a result of the 'Amendments to IAS 12 Income Taxes - International Tax Reform- Pillar Two model Rules'), carried out an analysis, with the support of an external consultant, in order to identify the scope of application and assess the potential exposure to top-up tax.
This assessment was made on the basis of data inferred from the statements used in the process of preparing the 2024 consolidated financial statements (the so-called financial reporting package) for the Piaggio Group, and preliminary figures for the other companies in the Omniaholding Group.
Based on the results of the TCSH calculation for the tax year 2024, each jurisdiction passed at least one of the tests and, therefore, it was possible to conclude that the Omniaholding Group was not exposed to any TCSH in the current financial year.
It should also be noted that the Company has applied the temporary exception to the accounting of deferred tax assets and liabilities related to the application of envisaged Pillar Two provisions and the related disclosures as set forth in IAS 12.

15. Earnings per share

Earnings per share are calculated as follows:

		2024	2023
Net profit	€/000	67,225	91,052
Earnings attributable to ordinary shares	€/000	67,225	91,052
Average number of ordinary shares in circulation		354,126,115	354,470,334
Earnings per ordinary share	€	0.190	0.257
Adjusted average number of ordinary shares		354,126,115	354,470,334
Diluted earnings per ordinary share	€	0.190	0.257

D) INFORMATION ON FINANCIAL ASSETS AND LIABILITIES

16. Intangible assets €/000 793,642

Intangible assets went up overall by €/000 39,500, mainly due to investments for the period which were only partially balanced by amortisation for the period.
The increases mainly refer to the capitalisation of development costs for new products and new engines, as well as the acquisition of development software.
During 2024, financial costs for €/000 5,726 were capitalised.

The following table shows the breakdown of intangible assets as of 31 December 2024 and 31 December 2023, as well as the changes that occurred during the two years.

IN THOUSANDS OF EUROS	DEVELOPMENT COSTS			PATENT RIGHTS AND KNOW-HOW			TRADE MARKS, CONCESSIONS AND LICENCES	GOODWILL	OTHER			TOTAL		
	IN SERVICE	ASSETS UNDER DEVELOPMENT AND ADVANCES	TOTAL	IN SERVICE	ASSETS UNDER DEVELOPMENT AND ADVANCES	TOTAL			IN SERVICE	ASSETS UNDER DEVELOPMENT AND ADVANCES	TOTAL	IN SERVICE	ASSETS UNDER DEVELOPMENT AND ADVANCES	TOTAL
Historical cost	404,872	31,890	436,762	569,926	41,047	610,973	190,737	557,322	9,014	1,201	10,215	1,731,871	74,138	1,806,009
Provision for write-downs	(1,708)	(1,861)	(3,569)			0					0	(1,708)	(1,861)	(3,569)
Accumulated amortisation	(323,871)		(323,871)	(468,596)		(468,596)	(161,325)	(110,382)	(8,742)		(8,742)	(1,072,916)	0	(1,072,916)
Number as of 01 01 2023	**79,293**	**30,029**	**109,322**	**101,330**	**41,047**	**142,377**	**29,412**	**446,940**	**272**	**1,201**	**1,473**	**657,247**	**72,277**	**729,524**
Investments	4,875	40,355	45,230	9,372	53,190	62,562			65	368	433	14,312	93,913	108,225
Transitions in the period	10,152	(10,152)	0	8,448	(8,448)	0			404	(404)	0	19,004	(19,004)	0
Amortisation	(34,592)		(34,592)	(46,132)		(46,132)	(66)		(171)		(171)	(80,961)	0	(80,961)
Disposals	(5)	(142)	(147)	(75)		(75)					0	(80)	(142)	(222)
Write-downs	(609)		(609)			0					0	(609)	0	(609)
Exchange differences	(1,110)	(559)	(1,669)	(28)	(18)	(46)			(9)	(66)	(75)	(1,147)	(643)	(1,790)
Other movements	(92)	135	43			0			(68)		(68)	(160)	135	(25)
Movements 2023	**(21,381)**	**29,637**	**8,256**	**(28,415)**	**44,724**	**16,309**	**(66)**	**0**	**221**	**(102)**	**119**	**(49,641)**	**74,259**	**24,618**
Historical cost	412,338	61,451	473,789	587,262	85,771	673,033	190,737	557,322	8,900	1,099	9,999	1,756,559	148,321	1,904,880
Provision for write-downs	(609)	(1,785)	(2,394)			0					0	(609)	(1,785)	(2,394)
Accumulated amortisation	(353,817)		(353,817)	(514,347)		(514,347)	(161,391)	(110,382)	(8,407)		(8,407)	(1,148,344)	0	(1,148,344)
Number as of 31 12 2023	**57,912**	**59,666**	**117,578**	**72,915**	**85,771**	**158,686**	**29,346**	**446,940**	**493**	**1,099**	**1,592**	**607,606**	**146,536**	**754,142**
Investments	14,184	32,969	47,153	27,156	39,958	67,114			90	223	313	41,430	73,150	114,580
Transitions in the period	38,380	(38,380)	0	49,389	(49,389)	0			611	(611)	0	88,380	(88,380)	0
Amortisation	(32,317)		(32,317)	(43,462)		(43,462)	(66)		(277)		(277)	(76,122)	0	(76,122)
Disposals		(33)	(33)	(10)		(10)					0	(10)	(33)	(43)
Write-downs			0			0					0	0	0	0
Exchange differences	654	310	964	36	26	62			24	2	26	714	338	1,052
Other movements			0	13	726	739			7	(713)	(706)	20	13	33
Movements 2024	**20,901**	**(5,134)**	**15,767**	**33,122**	**(8,679)**	**24,443**	**(66)**	**0**	**455**	**(1,099)**	**(644)**	**54,412**	**(14,912)**	**39,500**
Historical cost	467,856	56,377	524,233	668,691	77,092	745,783	190,737	557,322	5,235		5,235	1,889,841	133,469	2,023,310
Provision for write-downs		(1,845)	(1,845)			0					0	0	(1,845)	(1,845)
Accumulated amortisation	(389,043)		(389,043)	(562,654)		(562,654)	(161,457)	(110,382)	(4,287)		(4,287)	(1,227,823)	0	(1,227,823)
Number as of 31 12 2024	**78,813**	**54,532**	**133,345**	**106,037**	**77,092**	**183,129**	**29,280**	**446,940**	**948**	**0**	**948**	**662,018**	**131,624**	**793,642**

Development costs €/000 133,345

The item Development costs includes costs for products and engines referable to projects for which, as regards the period of the useful life of the asset, revenues are expected that allow for at least the costs incurred to be recovered. Assets under development for €/000 54,532 are also included, which refer to costs for which conditions for capitalisation apply, but that refer to products that will go into production in subsequent years.
With regard to development expenditure, the new projects capitalised during 2024 refer to the study of new vehicles and new engines that are the flagship products of the 2024-2026 range.
Financial costs attributable to the development of products which require a considerable period of time to be realised are capitalised as a part of the cost of the actual assets. Development costs included under this item are amortised on a straight line basis over a period of 3 to 5 years (base products), in consideration of their remaining useful life. The only exception concerns the development costs related to NP6 project for which, as already commented in Note 8 Amortisation/Depreciation and Impairment Costs to which reference should be made, the useful life has been extended by a further four years.

During 2024, development costs amounting to €/000 18,546 were carried as expenses directly in the income statement.

Industrial patent rights and know-how €/000 183,129

The item includes assets under construction for €/000 77,092.
Know-how costs mainly refer to new calculation, design and production techniques and methodologies developed by the Group.
The costs of industrial patent rights are mainly developed internally.
Both items are amortised on a straight-line basis, over a period of 3 to 5 years, in consideration of their remaining useful life.

Trademarks, Concessions and Licences €/000 29,280

The item Concessions, Licences, Trademarks and similar rights, is broken down as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Guzzi trademark	9,750	9,750	0
Aprilia trademark	19,158	19,158	0
Minor trademarks		5	(5)
Foton licence	372	433	(61)
Total	**29,280**	**29,346**	**(66)**

As they have had an indefinite useful life since 2021, the Moto Guzzi and Aprilia brands are no longer amortised but are tested annually for impairment, as provided for by IAS 36 - 'Impairment of Assets' and described in more detail in the section on 'Goodwill'.

The Foton licence is amortised over a 10-year period expiring in 2031.

Goodwill €/000 446,940

Goodwill derives from the greater value paid compared to the corresponding portion of the subsidiaries shareholders' equity at the time of purchase, less the related accumulated amortisation until 31 December 2003.
Goodwill was attributed to cash-generating units.

IN THOUSANDS OF EUROS	EMEA AND AMERICAS	INDIA	ASIA PACIFIC 2W	TOTAL
31 12 2024	305,311	109,695	31,934	446,940
31 12 2023	305,311	109,695	31,934	446,940

The organisational structure of the Group is based on 3 Geographic Segments (CGUs), involved in the production and sale of vehicles, relative spare parts and assistance in areas under their responsibility: EMEA and Americas, India and Asia Pacific 2W. Each Geographic Segment has production sites and a sales network dedicated to customers in that geographic segment. Central structures and development activities currently dealt with by EMEA and Americas, are handled by individual CGUs.
As noted with reference to accounting standards, since 1 January 2004, goodwill is no longer amortised, but is tested for impairment annually, or more frequently if specific events or changed circumstances indicate the possibility of impairment, in accordance with IAS 36 Impairment of Assets.
The possibility of reinstating booked values is verified by comparing the net carrying amount of individual cash generating units with the recoverable value (value in use). This recoverable value is represented by the present value of future cash flows which, it is estimated, will be derived from the continual use of goods referring to cash generating units and by the terminal value attributable to these goods.

The recoverability of goodwill is verified at least once a year (as of 31 December), even in the absence of indicators of impairment losses. The main assumptions used by the Group to determine future cash flows, relative to a 4-year time horizon, and the resulting recoverable value (value in use) refer to:

a. a forecasted cash flow hypothesis for a four-year time horizon derived from budget data for the year 2025, approved by the Board of Directors of Piaggio & C. S.p.A. on 22 January 2025, supplemented by forecast data for the period 2026-2028, approved by the Board of Directors of Piaggio & C. S.p.A. on 26 February 2025, together with the impairment test;
b. the WACC discount rate;
c. in addition to the explicit period, a growth rate (g rate) was estimated.

In particular, the Group has adopted a discount rate (WACC) that reflects the weighted average cost of capital calculated for the purpose of discounting cash flows based on a weighting between the cost of debt and the cost of equity. This figure was prepared on the basis of values of companies comparable to the Piaggio Group and therefore operating in the same business sector, differentiated between the different cash generating units, to reflect current market valuations of the cost of money and taking into account the specific risks of the business and geographic segment in which the cash generating unit operates.
In determining the calculation of the discount rate (WACC), the company extrapolated data on the financial and beta structure of comparable companies from main financial sources, as well as other parameters (i.e. the risk free rate) based on market observations and in accordance with valuation practices.

In the discounted future cash flow model, a terminal value is entered at the end of the cash flow projection period, to reflect the residual value that each cash generating unit is expected to generate. The terminal value represents the present value, at the last year of the projection, of all subsequent cash flows calculated as an annuity, and was determined using a growth rate (g rate) differentiated by CGU, and updated to reflect the most recent growth potential of each CGU.

	EMEA AND AMERICAS	ASIA PACIFIC 2W	INDIA
2024			
WACC	7.4%	8.3%	10.1%
G - rate	1.5%	2.0%	2.5%
Sales growth rate over the Plan period	4.6%	9.2%	9.1%
2023			
WACC	7.7%	8.1%	10.5%
G - rate	1.5%	2.0%	2.5%
Sales growth rate over the Plan period	2.4%	8.6%	13.1%

The Terminal Value growth rate (g rate) is CGU-specific, to consider the growth potential of the area.
The medium to long-term growth rate (g rate) for determining the Terminal Value of each CGU was considered reasonable and conservative in light of:
- analysts' expectations for the Piaggio Group (source: the most recent Analyst Reports);
- the long-term real GDP growth trend expected for the main countries where the Group operates (source: Economist Intelligence Unit – EIU);
- the expected long-term inflation trend for the main countries where the Group operates (source: Economist Intelligence Unit – EIU);
- the expected long-term nominal production trend in the main countries where the Group operates for two-wheelers and commercial vehicles (source: Euromonitor).

The WACC was determined taking into account the specific reference scenarios of the different CGUs.

The cash flows used reflect the performance of the new 2025-2028 plan, also developed in light of the 2024 trend, with a sales growth rate in line with the expected trend of the sector, and a margin consistent with the results achieved in the last financial year.
The analyses conducted did not identify any impairment losses. Therefore, no impairment was reflected in the consolidated figures as of 31 December 2024.
In addition, and on the basis of information in the document produced jointly by the Bank of Italy, Consob and Isvap no. 2 of 6 February 2009, the Group conducted sensitivity analysis of test results in relation to changes in basic assumptions (use of the growth rate in producing the terminal value and discount rate) which affect the value in use of cash generating units. Even in the case of a positive or negative change of 0.5% in the WACC and G - rate used, the analyses would not identify impairment losses.
In all cases, the value in use of the Group was higher than the net carrying amount tested.

In addition, the Piaggio Group has always paid special attention to sustainable mobility and the protection of all ESG (Environmental, Social and Governance) issues, and in 2023 presented a Decarbonisation Plan with a time horizon of 2030. For some years now, Piaggio has been implementing internal processes for analysing and assessing short and medium/long-term risks and opportunities related to climate change and the reduction of polluting emissions. Therefore, in preparing the 2025 budget and the 2026-2028 plan, and in developing the accounting estimates in them, Management considered the impacts on investments, costs and cash flows of the following elements:

- research into new technologies, focussing on future mobility to address new urbanisation;
- continued investment in electric vehicles (2-3-4 wheelers);
- investments in the active and passive safety of all vehicles;
- investments related to achieving the objectives set out in the Decarbonisation Plan, with particular reference to initiatives aimed at reducing emissions by 2030, as more fully described in the Sustainability Statement:
  - restructuring of the Moto Guzzi plant in Mandello del Lario;
  - new photovoltaic plants for self-generation of electricity;
  - new painting plant in Vietnam.

The analyses carried out as part of the impairment test did not identify any elements requiring write-downs of balance sheet assets.

Since the recoverable amount has been determined on the basis of estimates, the Group cannot guarantee that there will be no impairment of goodwill in future periods.
Given the current market uncertainty, the various factors used in making estimates could be revised; the Piaggio Group will constantly monitor these factors and the existence of impairment losses.

Other intangible assets — €/000 948

This item mainly includes the capitalisation of expenses for updating the SAP management programme of the Vietnamese affiliate.
It also includes €/000 35 for purchases of ETS certificates made during the year and still in the portfolio. For more details on the Emission Trading Directive (Directive 2003/87/EC), which has established the ETS certificate trading system, see Note 11 Other Operating Costs.

17. Property, plant and equipment — €/000 304,471

Property, plant and equipment mainly refer to the Group's production facilities located in Pontedera (Pisa), Noale (Venice), Mandello del Lario (Lecco), Baramati (India), Vinh Phuc (Vietnam) and Jakarta (Indonesia).
During the period, the item recorded an increase of €/000 16,961 mainly due to investments for the period, which were partly offset by depreciation for the period.
Increases mainly refer to the renovation of the Moto Guzzi plant in Mandello del Lario and moulds for new vehicles launched in the period.
Financial costs attributable to the construction of assets which require a considerable period of time to be ready for use are capitalised as a part of the cost of the actual assets. During 2024, financial costs for €/000 943 were capitalised.

The following table shows the breakdown of property, plant and equipment as of 31 December 2024 and 31 December 2023, as well as the changes that occurred during the two years.

IN THOUSANDS OF EUROS	LAND	BUILDINGS			PLANT AND MACHINERY			EQUIPMENT			OTHER ASSETS			TOTAL		
		IN SERVICE	ASSETS UNDER CON-STRUCTION AND ADVANCES	TOTAL	IN SERVICE	ASSETS UNDER CON-STRUCTION AND ADVANCES	TOTAL	IN SERVICE	ASSETS UNDER CON-STRUCTION AND ADVANCES	TOTAL	IN SERVICE	ASSETS UNDER CON-STRUCTION AND ADVANCES	TOTAL	IN SERVICE	ASSETS UNDER CON-STRUCTION AND ADVANCES	TOTAL
Historical cost	37,213	185,024	3,453	188,477	510,042	13,753	523,795	537,792	3,363	541,155	67,123	3,178	70,301	1,337,194	23,747	1,360,941
Provision for write-downs		(622)		(622)	(618)		(618)	(4,031)		(4,031)			0	(5,271)	0	(5,271)
Accumulated depreciation		(98,025)		(98,025)	(414,203)		(414,203)	(495,379)		(495,379)	(56,697)		(56,697)	(1,064,304)	0	(1,064,304)
Number as of 01 01 2023	**37,213**	**86,377**	**3,453**	**89,830**	**95,221**	**13,753**	**108,974**	**38,382**	**3,363**	**41,745**	**10,426**	**3,178**	**13,604**	**267,619**	**23,747**	**291,366**
Investments		1,784	2,806	4,590	4,094	26,347	30,441	4,239	4,852	9,091	7,432	3,090	10,522	17,549	37,095	54,644
Transitions in the period		2,437	(2,437)	0	14,603	(14,603)	0	1,354	(1,354)	0	3,453	(3,453)	0	21,847	(21,847)	0
Depreciation		(5,346)		(5,346)	(21,874)		(21,874)	(15,504)		(15,504)	(9,623)		(9,623)	(52,347)	0	(52,347)
Disposals		(187)		(187)	(31)	(70)	(101)	(59)		(59)	(47)	(10)	(57)	(324)	(80)	(404)
Write-downs		(241)		(241)			0			0			0	(241)	0	(241)
Exchange differences	(314)	(1,264)	(69)	(1,333)	(2,729)	(952)	(3,681)	(26)	1	(25)	(148)	(7)	(155)	(4,481)	(1,027)	(5,508)
Other movements		221	(283)	(62)	11		11	(127)	(378)	(505)	556		556	661	(661)	0
Movements 2023	**(314)**	**(2,596)**	**17**	**(2,579)**	**(5,926)**	**10,722**	**4,796**	**(10,123)**	**3,121**	**(7,002)**	**1,623**	**(380)**	**1,243**	**(17,336)**	**13,480**	**(3,856)**
Historical cost	36,899	187,130	3,470	190,600	508,617	24,475	533,092	541,385	6,484	547,869	75,144	2,798	77,942	1,349,175	37,227	1,386,402
Provision for write-downs		(862)		(862)	(618)		(618)	(4,031)		(4,031)			0	(5,511)	0	(5,511)
Accumulated depreciation		(102,487)		(102,487)	(418,704)		(418,704)	(509,095)		(509,095)	(63,095)		(63,095)	(1,093,381)	0	(1,093,381)
Number as of 31 12 2023	**36,899**	**83,781**	**3,470**	**87,251**	**89,295**	**24,475**	**113,770**	**28,259**	**6,484**	**34,743**	**12,049**	**2,798**	**14,847**	**250,283**	**37,227**	**287,510**
Investments	621	994	12,907	13,901	3,226	23,495	26,721	6,771	7,837	14,608	9,657	2,618	12,275	21,269	46,857	68,126
Transitions in the period		1,556	(1,556)	0	25,923	(25,923)	0	5,808	(5,808)	0	1,641	(1,641)	0	34,928	(34,928)	0
Depreciation		(5,466)		(5,466)	(22,416)		(22,416)	(14,637)		(14,637)	(10,128)		(10,128)	(52,647)	0	(52,647)
Disposals	(24)	(393)		(393)	(4)	(53)	(57)	(3)		(3)	(19)	(793)	(812)	(443)	(846)	(1,289)
Write-downs				0			0			0			0	0	0	0
Exchange differences	152	571	22	593	1,490	391	1,881	9	2	11	125	9	134	2,347	424	2,771
Other movements				0	18		18	(9)		(9)	(9)		(9)	0	0	0
Movements 2024	**749**	**(2,738)**	**11,373**	**8,635**	**8,237**	**(2,090)**	**6,147**	**(2,061)**	**2,031**	**(30)**	**1,267**	**193**	**1,460**	**5,454**	**11,507**	**16,961**
Historical cost	37,648	189,403	14,843	204,246	543,565	22,385	565,950	553,970	8,515	562,485	85,490	2,991	88,481	1,410,076	48,734	1,458,810
Provision for write-downs		(862)		(862)	(618)		(618)	(4,031)		(4,031)			0	(5,511)	0	(5,511)
Accumulated depreciation		(107,498)		(107,498)	(445,415)		(445,415)	(523,741)		(523,741)	(72,174)		(72,174)	(1,148,828)	0	(1,148,828)
Number as of 31 12 2024	**37,648**	**81,043**	**14,843**	**95,886**	**97,532**	**22,385**	**119,917**	**26,198**	**8,515**	**34,713**	**13,316**	**2,991**	**16,307**	**255,737**	**48,734**	**304,471**

Land — €/000 37,648

Land is not depreciated.

This item mainly refers to the Group's production facilities located in Pontedera (Pisa), Noale and Scorzé (Venice), Mandello del Lario (Lecco) and Jakarta (Indonesia). The item also includes land in Pisa, with a warehouse. The change from the previous year derives from an exchange of land and appurtenances with the Municipality of Pontedera.

Buildings €/000 95,886

The item Buildings, net of accumulated depreciation and write-downs, is broken down as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Industrial buildings	80,023	82,658	(2,635)
Buildings for civil use	236	236	0
Lightweight constructions	784	887	(103)
Assets under construction	14,843	3,470	11,373
Total	**95,886**	**87,251**	**8,635**

Industrial buildings refer to the Group's production facilities located in Pontedera (Pisa), Noale and Scorzè (Venice), Mandello del Lario (Lecco), Baramati (India), Vinh Phuc (Vietnam) and Jakarta (Indonesia). The item also includes a building in Pisa used as a warehouse. Buildings are depreciated at rates deemed appropriate to represent their useful life and in any case on a straight-line basis.

Plant and machinery €/000 119,917

The item Plant and Machinery, net of accumulated depreciation, is broken down as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Generic installations	70,476	60,488	9,988
Automatic machines	6,553	7,451	(898)
Furnaces and their fixtures	598	595	3
Other	19,905	20,761	(856)
Assets under construction	22,385	24,475	(2,090)
Total	**119,917**	**113,770**	**6,147**

Plant and machinery refer to the Group's production facilities located in Pontedera (Pisa), Noale and Scorzè (Venice), Mandello del Lario (Lecco), Baramati (India), Vinh Phuc (Vietnam) and Jakarta (Indonesia).
The item 'other' mainly comprises non-automatic machinery and robot centres.

Equipment €/000 34,713

The value of the item Equipment consists mainly of production equipment located in Pontedera (province of Pisa), Noale and Scorzè (province of Venice), Mandello del Lario (province of Lecco), Baramati (India), Vinh Phuc (Vietnam) and Jakarta (Indonesia). The main investments in equipment referred to moulds for new vehicles launched during the year, moulds for new engines and specific equipment for assembly lines.

The Equipment, net of accumulated depreciation and write-downs is broken down as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Industrial equipment	26,183	28,241	(2,058)
Commercial equipment	15	18	(3)
Assets under construction	8,515	6,484	2,031
Total	**34,713**	**34,743**	**(30)**

Other plant, property and equipment €/000 16,307

The item Other assets, net of accumulated depreciation is broken down as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
EDP systems	3,389	2,784	605
Office furniture and equipment	2,224	2,276	(52)
Vehicles	2,685	2,353	332
Others	5,018	4,636	382
Assets under construction	2,991	2,798	193
Total	**16,307**	**14,847**	**1,460**

Guarantees

As of 31 December 2024, the Group had no buildings encumbered by mortgages.

18. Rights of Use

This note provides information regarding leases as a lessee. The Group has no existing lease agreements as lessor.

Assets for rights of use €/000 33,697

The item 'Rights of use' includes operating lease agreements, finance lease agreements and lease instalments paid in advance for the use of property.
The Group has stipulated rental/hire contracts for offices, plants, warehouses, company accommodation, cars and forklift trucks. The rental/lease agreements are typically for a fixed duration, but extension options are also possible.
These agreements may also include service components. The Group opted to include only the component relative to the rental/hire payment in the recognition of rights of use.
The rental/hire agreements do not have any covenants to be met, nor require guarantees to be provided in favour of the lessor.

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024				AS OF 31 DECEMBER 2023				
	OPERATING LEASES	FINANCE LEASES	RENTAL/ HIRE PAYMENTS MADE IN ADVANCE	TOTAL	OPERATING LEASES	FINANCE LEASES	RENTAL/ HIRE PAYMENTS MADE IN ADVANCE	TOTAL	CHANGE
Land			6,724	6,724			6,476	6,476	248
Buildings	16,960		266	17,226	18,951		64	19,015	(1,789)
Plant and machinery		5,564		5,564		6,419		6,419	(855)
Equipment	792			792	1,205			1,205	(413)
Other assets	3,391			3,391	3,746	5		3,751	(360)
Total	**21,143**	**5,564**	**6,990**	**33,697**	**23,902**	**6,424**	**6,540**	**36,866**	**(3,169)**

IN THOUSANDS OF EUROS	LAND	BUILDINGS	PLANT AND MACHINERY	EQUIPMENT	OTHER ASSETS	TOTAL
As of 31 12 2023	**6,476**	**19,015**	**6,419**	**1,205**	**3,751**	**36,866**
Increases	310	5,029			1,433	6,772
Depreciation	(183)	(6,919)	(855)	(413)	(1,799)	(10,169)
Decreases		(346)			(2)	(348)
Exchange differences	121	447			8	576
Other changes						
Movements 2024	**248**	**(1,789)**	**(855)**	**(413)**	**(360)**	**(3,169)**
As of 31 12 2024	**6,724**	**17,226**	**5,564**	**792**	**3,391**	**33,697**

Financial Liabilities for rights of use — €/000 26,611

The composition of and changes in financial liabilities for rights of use are illustrated in Note 39 'Financial Liabilities for Rights of Use', to which is reference is made.

Amounts recognised in the Income Statement

The income statement includes the following amounts in respect of lease agreements:

IN THOUSANDS OF EUROS	NOTES	2024	2023	CHANGE
Depreciation of rights of use	8	10,169	10,172	(3)
Financial costs for rights of use	13	2,056	1,790	266
Rental payments (no IFRS 16)	6	17,865	17,562	303

19. Deferred tax assets — €/000 71,353

Deferred tax assets and liabilities are recognised at their net value when they may be offset in the same tax jurisdiction.
Their composition is as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Deferred tax assets	81,993	80,501	1,492
Deferred tax liabilities	(10,640)	(10,062)	(578)
Total	**71,353**	**70,439**	**914**

The main effects recognised during the year are attributable to changes in temporary differences and tax losses.

As part of measurements to define deferred tax assets, the Group mainly considered the following:

- tax regulations of countries where it operates, the impact of regulations in terms of temporary differences and any tax benefits arising from the use of previous tax losses;
- the tax rate in effect in the year when temporary differences occur.

Deferred tax assets arising from the carry-forward of tax losses have been recognised on the basis of the foreseeable recovery of the benefit from the availability of sufficient future taxable income, resulting from the most recent forecasts, against which such may be used; in some cases, it was decided not to recognise the tax benefits deriving from the losses that can be carried forward. As regards the Italian companies of the Piaggio Group, it should be noted that they adhere to the national consolidated tax convention governed by Articles 117 and following of the Consolidated Income Tax Act, in a capacity as consolidated companies. Therefore, in accordance with the tax consolidation contract stipulated with the consolidating company IMMSI S.p.A., the recoverability of deferred tax assets was made on the basis of the Group's foreseeable taxable income, deducible from the consolidating company's long-term plans, as well as on the basis of the plan approved by the Board of Directors of Piaggio & C. S.p.A. on 26 February 2025.

	AMOUNT OF TEMPORARY DIFFERENCES	RATE	TAX EFFECT
IN THOUSANDS OF EUROS			
	10,470	24%/27.9%	2,919
Provisions for risks	**10,470**		**2,919**
	14,006	27.90%	3,908
	1,558	23.87%	372
	656	22.00%	144
	401	33.58%	135
	174	22.00%	38
	33	25.00%	8
Provision for product warranties	**16,828**		**4,605**
	17,990	24.00%	4,318
	1,617	22.00%	356
	321	25.00%	80
	154	24.00%	37
	127	23.87%	30
	13	33.58%	4
Provision for bad debts	**20,222**		**4,825**
	26,392	27.90%	7,363
	6,624	27.90%	1,848
	3,898	20.00%	780
	578	23.87%	138
	299	33.58%	100
	96	22.00%	21
	37	27.90%	10
	33	22.00%	7
	14	18.00%	3
Provision for obsolete stock	**37,971**		**10,271**
	31,397	24%/27.9%	8,650
	17,609	20.00%	3,522
	20,004	24%/27.9%	4,810
	12,068	23.87%	2,880
	5,230	25.00%	1,308
	889	22.00%	196
	781	22.00%	172
	660	25.17%	166
	437	17.00%	74
	253	27.90%	71
	221	33.58%	74
	182	25.00%	46
	110	31.23%	34
	91	18.00%	16
	63	25.00%	16
	40	19.00%	8
	13	25.00%	3
Offsetting Deferred Tax Liabilities	(83,682)	10%/27.9%	(10,640)
Other changes	6,366		11,405
Total on provisions and other changes	**91,857**		**34,025**
Deferred taxes already recognised			**33,763**
Unrecognised deferred tax assets			**262**
Piaggio & C. S.p.A.	130,440	24.00%	31,306
Piaggio Fast Forward Inc.	133,598	21.00%	28,056
Nacional Motor S.A.	35,596	25.00%	8,899
Piaggio Group Americas Inc.	11,268	23.87%	2,689
Foshan Piaggio Vehicles technology R&D Co Ltd.	7,008	25.00%	1,752
Piaggio Concept Store Mantova S.r.l.	3,505	24.00%	841
Aprilia Racing S.r.l.	2,494	24.00%	599
Piaggio Vespa B.V.	957	19.00%	182
Piaggio Group Japan	804	33.58%	270
Total on tax losses	**325,670**		**74,593**
Deferred taxes already recognised			**37,590**
Unrecognised deferred tax assets			**37,003**

20. Inventories €/000 323,698

This item comprises:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Raw materials and consumables	182,382	180,033	2,349
Provision for write-down	(23,154)	(16,592)	(6,562)
Net value	*159,228*	*163,441*	*(4,213)*
Work in progress and semi-finished products	25,988	26,693	(705)
Provision for write-down	(1,674)	(1,933)	259
Net value	*24,314*	*24,760*	*(446)*
Finished products and goods	158,829	160,180	(1,351)
Provision for write-down	(20,261)	(20,506)	245
Net value	*138,568*	*139,674*	*(1,106)*
Advances	1,588	142	1,446
Total	**323,698**	**328,017**	**(4,319)**

The provision for write-down is calculated to align the value of inventories to their estimated realisable value, recognising obsolescence and slow rotation where necessary.

21. Trade receivables (current and non-current) €/000 72,116

As of 31 December, there were no trade receivables included in non-current assets in both periods under comparison.
Trade receivables included in current assets are broken down as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Trade receivables from customers	71,688	58,484	13,204
Trade receivables from JV	418	385	33
Trade receivables from parent companies	10	9	1
Total	**72,116**	**58,878**	**13,238**

Receivables due from joint ventures refer to amounts due from Zongshen Piaggio Foshan Motorcycles Co. Ltd.. Receivables due from parent companies regard amounts due from Immsi.
The item Trade receivables comprises receivables referring to normal sale transactions, recorded net of a provision for bad debts of €/000 35,856.

Changes in the provision were as follows:

IN THOUSANDS OF EUROS	
Opening balance as of 1 January 2024	**33,817**
Increases for provisions	941
Decreases for use	(1,151)
Other changes and exchange rate adjustments	2,249
Closing balance as of 31 December 2024	**35,856**

The Group sells, on a rotating basis, a large part of its trade receivables with and without recourse. The contractual structure that Piaggio has formalised with major Italian and foreign factoring companies is based on various objectives such as optimising, monitoring and managing credit, offering customers an instrument for financing their inventory and, as regards non-recourse factoring only, the substantial transfer of risks and benefits. As of 31 December 2024, trade receivables still due sold without recourse totalled €/000 126,932. Of these amounts, Piaggio received payment prior to natural expiry of €/000 126,032.
As of 31 December 2024, advance payments received from factoring companies and banks, for trade receivables sold with recourse totalled €/000 11,162 with a counter-entry recognised in current liabilities.

22. Other receivables (current and non-current) €/000 108,446

These consist of:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024			AS OF 31 DECEMBER 2023			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Receivables due from parent companies	45,168		45,168	33,255		33,255	11,913	0	11,913
Receivables due from JV	654		654	586		586	68	0	68
Receivables due from affiliated companies	42		42	18		18	24	0	24
Accrued income	1,909		1,909	596		596	1,313	0	1,313
Deferred charges	8,190	8,784	16,974	10,799	9,424	20,223	(2,609)	(640)	(3,249)
Advance payments to suppliers	1,124	1	1,125	1,067	1	1,068	57	0	57
Advances to employees	1,855	21	1,876	1,809	24	1,833	46	(3)	43
Fair Value of hedging derivatives	5,553		5,553	4,573	168	4,741	980	(168)	812
Security deposits	153	1,225	1,378	285	1,151	1,436	(132)	74	(58)
Receivables due from others	23,086	10,681	33,767	33,891	7,491	41,382	(10,805)	3,190	(7,615)
Total	**87,734**	**20,712**	**108,446**	**86,879**	**18,259**	**105,138**	**855**	**2,453**	**3,308**

Receivables due from associates regard amounts due from Immsi Audit, Is Molas and Intermarine.
Receivables due from Parent Companies refer to receivables due from Immsi and arise from the recognition of accounting effects relating to the transfer of taxable bases pursuant to the Group Consolidated Tax Convention.
Receivables due from joint ventures refer to amounts due from Zongshen Piaggio Foshan Motorcycle Co. Ltd.
The item Fair Value of derivative instruments consists of hedging transactions accounted for in accordance with the cash flow hedge principle and is broken down as follows: the fair value of exchange rate risk hedging transactions on forecast transactions (€/000 5,438 current portion); the fair value of an Interest Rate Swap designated as hedging (€/000 60 current portion); the fair value of commodity hedging transactions (€/000 55 current portion).
The item Receivables from others includes:

- €/000 5,339 (€/000 5,254 as of 31 December 2023) relating to the recognition by the Indian affiliate of a receivable for the subsidy received from the Indian Government on investments made in previous years. This receivable is recognised in profit or loss in proportion to the depreciation of the assets on which the grant was made. The recognition of these amounts is supported by appropriate documentation received from the Government of India, certifying that the entitlement has been recognised and therefore that collection is reasonably certain. During 2024, the Indian company collected receivables related to these subsidies for €/000 1,942. See the Note 'Other Operating Income' for further details;
- €/000 10,795 (€/00 17,838 as of 31 December 2023) for the receivable accrued by the Indian affiliate for the reimbursement of the eco-incentive on electric vehicles directly recognised by the manufacturer to the end customer. Under the e-mobility incentive scheme currently in place in India, the end customer benefits from the subsidy at the time of purchase and the subsidy is then recovered by the manufacturer upon presentation of the necessary documentation to the Ministry.

Other receivables are shown net of a provision for write-down of €/000 6,735.
Changes in the provision were as follows:

IN THOUSANDS OF EUROS	
Opening balance as of 1 January 2024	**6,609**
Increases for provisions	2,129
Decreases for use	(2)
Other changes and exchange rate adjustments	(2,001)
Closing balance as of 31 December 2024	**6,735**

23. Tax receivables (current and non-current) €/000 27,620

Tax receivables consist of:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024			AS OF 31 DECEMBER 2023			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
VAT	8,417	315	8,732	8,543	283	8,826	(126)	32	(94)
Income tax	7,405	5,021	12,426	6,207	6,073	12,280	1,198	(1,052)	146
Others	5,355	1,107	6,462	4,105	3,322	7,427	1,250	(2,215)	(965)
Total	**21,177**	**6,443**	**27,620**	**18,855**	**9,678**	**28,533**	**2,322**	**(3,235)**	**(913)**

24. Breakdown of operating receivables by valuation methodology applied

The following table shows the breakdown of operating receivables by valuation methodology applied:

IN THOUSANDS OF EUROS	ASSETS AT FVPL	ASSETS AT FVOCI	FINANCIAL DERIVATIVES	ASSETS AT AMORTISED COST	TOTAL
AS OF 31 DECEMBER 2024					
Non-current					
Tax receivables				6,443	6,443
Other receivables				20,712	20,712
Total non-current operating receivables	**-**	**-**	**-**	**27,155**	**27,155**
Current					**-**
Trade receivables				72,116	72,116
Tax receivables				21,177	21,177
Other receivables			5,553	82,181	87,734
Total current operating receivables	**-**	**-**	**5,553**	**175,474**	**181,027**
Total operating receivables	**-**	**-**	**5,553**	**202,629**	**208,182**
AS OF 31 DECEMBER 2023					
Non-current					
Tax receivables				9,678	9,678
Other receivables			168	18,091	18,259
Total non-current operating receivables	**-**	**-**	**168**	**27,769**	**27,937**
Current					
Trade receivables				58,878	58,878
Tax receivables				18,855	18,855
Other receivables			4,573	82,306	86,879
Total current operating receivables	**-**	**-**	**4,573**	**160,039**	**164,612**
Total operating receivables	**-**	**-**	**4,741**	**187,808**	**192,549**

25. Receivables due after 5 years €/000 0

At the end of the reporting period, there were no receivables outstanding due after five years.

26. Breakdown of assets by geographic segment

Assets by geographic segment are broken down as follows:

27. Trade payables €/000 571,115

As of 31 December 2024 and 31 December 2023 no trade payables were recorded under non-current liabilities. Trade payables recorded as current liabilities are broken down as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Amounts due to suppliers	565,825	612,632	(46,807)
Trade payables to JV	5,048	5,982	(934)
Trade payables due to associates	68	50	18
Trade payables due to parent companies	174	339	(165)
Total	**571,115**	**619,003**	**(47,888)**

To facilitate credit conditions for its suppliers, the Group has used some indirect factoring agreements for many years, which mainly supply chain financing and reverse factoring agreements. On the basis of existing contractual formats, the supplier has the option of assigning, at its own discretion, the receivables due from the Group to a bank, and of collecting the amount before maturity.
With factoring agreements, the average payment times indicated in the invoice are subject to an indicative additional 45 days of extension agreed between the supplier and the Group.
These operations have not changed the primary obligation or substantially changed payment terms, so their nature is the same and they are still exclusively classified as trade liabilities.
As of 31 December 2024 and 31 December 2023, the value of trade payables covered by reverse factoring or supply chain financing agreements was as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Trade payables part of factoring agreements			
Of which Reverse factoring	147,987	170,833	(22,846)
Of which Supply Chain Financing	46,472	61,935	(15,463)
Of which Bill of exchange	30,345	23,550	6,795
Total	**224,804**	**256,318**	**(31,514)**

28. Provisions (current and non-current portion) €/000 34,431

The breakdown of provisions for risks is as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024			AS OF 31 DECEMBER 2023			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Provision for product warranties	13,682	7,908	21,590	12,990	7,552	20,542	692	356	1,048
Provision for contractual risks	1,003	8,750	9,753	941	8,000	8,941	62	750	812
Risk provision for legal disputes	155	1,720	1,875	661	1,721	2,382	(506)	(1)	(507)
Provision for ETS certificates	363	-	363	486	-	486	(123)	0	(123)
Other provisions for risks and charges	432	418	850	367	418	785	65	0	65
Total	**15,635**	**18,796**	**34,431**	**15,445**	**17,691**	**33,136**	**190**	**1,105**	**1,295**

The provision for product warranties relates to accruals for technical assistance on products covered by customer service which are estimated to be provided over the contractually envisaged warranty period. This period varies according to the type of goods sold and the sales market, and is also determined by customer take-up to commit to a scheduled maintenance plan.
The provision increased during the year by €/000 10,989 and €/000 10,128 was used for charges incurred during the year.
The risk provision for legal disputes concerns labour litigation and other legal proceedings.
The provision for ETS certificates refers to the provision made by the Parent Company for the costs it will have to incur to purchase ETS certificates to be returned to the Authority by September 2025. For more details on the Emission Trading Directive (Directive 2003/87/EC), which has established the ETS certificate trading system, see Note 11 Other Operating Costs.
Other risk provisions include management's best estimate of probable liabilities at the reporting date.

Changes in 2024 are shown below:

IN THOUSANDS OF EUROS	BALANCE AS OF 31 DECEMBER 2023	PROVISIONS	USES	EXCHANGE DIFFERENCES	BALANCE AS OF 31 DECEMBER 2024
Provision for product warranties	20,542	10,989	(10,128)	186	21,589
Provision for contractual risks	8,941	752		60	9,753
Risk provision for legal disputes	2,382	58	(570)	5	1,875
Provision for ETS certificates	486	363	(486)		363
Other provisions for risks	785	50	(6)	22	851
Total	**33,136**	**12,212**	**(11,190)**	**273**	**34,431**

29. Deferred tax liabilities €/000 6,730

The deferred tax liability is mainly attributable to taxable temporary differences between the carrying amount and tax value of tangible property, plant and equipment and intangible assets held by subsidiaries located in India and Vietnam.

30. Retirement funds and employee benefits €/000 24,802

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Retirement funds	999	915	84
Termination benefits provision	23,803	24,307	(504)
Total	**24,802**	**25,222**	**(420)**

Retirement funds comprise provisions for employees allocated by foreign companies and additional customer indemnity provisions, which represent the indemnities due to agents in the case of the agency contract being terminated for reasons beyond their control. Uses refer to the settlement of indemnities already set aside in previous years, while provisions correspond to indemnities accrued during the period.

The item 'Termination benefits provision', comprising severance pay of employees of Italian companies, includes termination benefits indicated in defined benefit plans. Changes are shown below:

IN THOUSANDS OF EUROS	
Opening balance as of 1 January 2024	**24,307**
Cost for the period	9,035
Actuarial losses recognised under Shareholders' equity	184
Interest cost	727
Uses and Transfers to Retirement Funds	(10,450)
Closing balance as of 31 December 2024	**23,803**

The economic/technical assumptions used by Group companies operating in Italy to discount the value are shown in the table below:

Technical annual discount rate	3.18%
Annual inflation rate	2.00%
Annual rate of increase in termination benefit	3.00%

As regards the discount rate, the Group uses the iBoxx Corporates AA rating with a 7-10 duration as the valuation reference. If the iBoxx Corporates A rating with a 7-10 duration had been used, the value of actuarial losses and the provision as of 31 December 2024 would have been lower by €/000 401.
The following table shows, as of 31 December 2024, the effects in absolute terms that would have occurred as a result of changes in reasonably possible actuarial assumptions:

IN THOUSANDS OF EUROS	TERMINATION BENEFITS PROVISION
Turnover rate +2%	23,936
Turnover rate -2%	23,649
Inflation rate +0.25%	24,084
Inflation rate - 0.25%	23,525
Discount rate +0.50%	22,943
Discount rate -0.50%	24,712

The average financial duration of the bond varies between 7 and 24 years.
Estimated future amounts are equal to:

	IN THOUSANDS OF EUROS
YEAR	FUTURE AMOUNTS
1	1,771
2	1,541
3	775
4	1,780
5	2,293

The affiliates operating in Germany and Indonesia have provisions for employees identified as defined benefit plans. As of 31 December 2024, these provisions amounted to €/000 80 and €/000 465 respectively. The amount of profit/(losses) recognised in the Statement of Comprehensive Income relating to foreign companies is €/000 -19.

31. Tax payables €/000 13,161

As of 31 December 2024 and 31 December 2023 no tax payables were recorded under non-current liabilities. Trade payables recorded as current liabilities are broken down as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Due for income tax	5,568	6,880	(1,312)
Due for non-income tax	170	122	48
Tax payables for:			
. VAT	991	951	40
. Tax withheld at source	5,916	5,214	702
. Others	516	745	(229)
Total	7,423	6,910	513
Total	**13,161**	**13,912**	**(751)**

The item includes tax payables recorded in the financial statements of individual consolidated companies, set aside in relation to tax charges for the individual companies on the basis of applicable national laws.
Payables for tax withholdings refer mainly to withholdings on employees' earnings, on employment termination payments and on self-employed earnings.

32. Other payables (current and non-current) €/000 139,792

This item comprises:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024			AS OF 31 DECEMBER 2023			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
To employees	19,864	629	20,493	25,244	473	25,717	(5,380)	156	(5,224)
Guarantee deposits		4,694	4,694		4,414	4,414	-	280	280
Accrued expenses	9,427		9,427	7,831		7,831	1,596	-	1,596
Deferred income	6,356	11,637	17,993	9,707	7,377	17,084	(3,351)	4,260	909
Amounts due to social security institutions	9,470		9,470	8,401		8,401	1,069	-	1,069
Fair value of derivatives	2,105	105	2,210	5,927	52	5,979	(3,822)	53	(3,769)
To associates	110		110	111		111	(1)	-	(1)
To parent companies	55,609		55,609	43,675		43,675	11,934	-	11,934
Others	19,711	75	19,786	16,371	76	16,447	3,340	(1)	3,339
Total	**122,652**	**17,140**	**139,792**	**117,267**	**12,392**	**129,659**	**5,385**	**4,748**	**10,133**

Amounts due to employees include the amount for holidays accrued but not taken of €/000 12,465 and other payments to be made for €/000 8,028.
Payables to associates consist of sundry payables to the Piaggio Foundation.
Payables to parent companies consist of payables to Immsi.
The item Fair Value of derivative instruments consists of hedging transactions accounted for in accordance with the cash flow hedge principle and is broken down as follows: the fair value of exchange rate risk hedging transactions on forecast transactions (€/000 1,913 current portion); the fair value of a designated hedging Interest Rate Swap (€/000 105 current portion and €/000 105 non-current portion); the fair value of hedging transactions on commodities (€/000 87 current portion).
The item Accrued expenses includes €/000 56 for interest on hedging derivatives and associated hedged items measured at fair value.
The item Deferred income includes €/000 4,814 (€/000 5,248 as of 31 December 2023) for the recognition by the Indian affiliate related to a deferred subsidy from the local Government for investments made in previous years, for the part not yet depreciated. See Note 9 'Other operating income' for further details.
The item Other includes €/000 10,224 for the advance received from the Ministry of Enterprise and Made in Italy for the "E-Mobility" industrial development programme.

33. Breakdown of operating payables by valuation methodology applied

The following table shows the breakdown of operating liabilities by valuation method applied:

IN THOUSANDS OF EUROS	LIABILITIES AT FVPL	FINANCIAL DERIVATIVES	LIABILITIES AT AMORTISED COST	TOTAL
AS OF 31 DECEMBER 2024				
Non-current				
Other payables		105	17,035	17,140
Total non-current operating liabilities		**105**	**17,035**	**17,140**
Current				
Trade payables			571,115	571,115
Tax payables			13,161	13,161
Other payables		2,105	120,547	122,652
Total current operating liabilities		**2,105**	**704,823**	**706,928**
Total operating payables		**2,210**	**721,858**	**724,068**
AS OF 31 DECEMBER 2023				
Non-current				
Other payables		52	12,340	12,392
Total non-current operating liabilities		**52**	**12,340**	**12,392**
Current				
Trade payables			619,003	619,003
Tax payables			13,912	13,912
Other payables		5,927	111,340	117,267
Total current operating liabilities		**5,927**	**744,255**	**750,182**
Total operating payables		**5,979**	**756,595**	**762,574**

34. Payables due after 5 years

The Group has loans due in more than five years, details of which are provided in Note 'Financial liabilities and financial liabilities for rights of use'.
With the exception of the above payables, no other long-term payables due after five years exist.

35. Breakdown of balance sheet liabilities by geographic segment

The breakdown of balance sheet liabilities by geographic segment is shown below:

E) INFORMATION ON FINANCIAL ASSETS AND LIABILITIES

This section provides information on the carrying amount of the financial assets and liabilities held and in particular:
- a description and specific information on the type of financial assets and liabilities outstanding;
- the accounting policies adopted;
- information about the determination of fair value, valuations and estimates made and uncertainties involved.

The Group holds the following financial assets and liabilities:

IN THOUSANDS OF EUROS	ASSETS AT FVPL	ASSETS AT FVOCI	FINANCIAL DERIVATIVES	ASSETS AT AMORTISED COST	TOTAL
FINANCIAL ASSETS AS OF 31 DECEMBER 2024					
Non-current					
Other financial assets	16				16
Total non-current financial assets	**16**	**-**	**-**	**-**	**16**
Current					
Other financial assets					
Cash and cash equivalents				149,693	149,693
Total current financial assets	**-**	**-**	**-**	**149,693**	**149,693**
Total financial assets	**16**	**-**	**-**	**149,693**	**149,709**
FINANCIAL ASSETS AS OF 31 DECEMBER 2023					
Non-current					
Other financial assets	16				16
Total non-current financial assets	**16**	**-**	**-**	**-**	**16**
Current					
Other financial assets				6,205	6,205
Cash and cash equivalents				181,692	181,692
Total current financial assets	**-**	**-**	**-**	**187,897**	**187,897**
Total financial assets	**16**	**-**	**-**	**187,897**	**187,913**

IN THOUSANDS OF EUROS	LIABILITIES AT FVPL	FAIR VALUE ADJUSTMENT	FINANCIAL DERIVATIVES	LIABILITIES AT AMORTISED COST	TOTAL
FINANCIAL LIABILITIES AS OF 31 DECEMBER 2024					
Non-current					
Bank loans				277,096	277,096
Bonds				246,387	246,387
Other loans				35	35
Liabilities for rights of use				16,587	16,587
Total non-current financial liabilities	**-**	**-**	**-**	**540,105**	**540,105**
Current					
Bank loans				122,304	122,304
Other loans				11,233	11,233
Liabilities for rights of use				10,024	10,024
Total current financial liabilities	**-**	**-**	**-**	**143,561**	**143,561**
Total financial liabilities	**-**	**-**	**-**	**683,666**	**683,666**
FINANCIAL LIABILITIES AS OF 31 DECEMBER 2023					
Non-current					
Bank loans				221,047	221,047
Bonds				245,900	245,900
Other loans				106	106
Liabilities for rights of use				19,665	19,665
Total non-current financial liabilities	**-**	**-**	**-**	**486,718**	**486,718**
Current					
Bank loans				116,853	116,853
Other loans				8,023	8,023
Liabilities for rights of use				10,336	10,336
Total current financial liabilities	**-**	**-**	**-**	**135,212**	**135,212**
Total financial liabilities	**-**	**-**	**-**	**621,930**	**621,930**

36. Investments €/000 7,109

The item investments comprises:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Interests in joint ventures	6,873	8,262	(1,389)
Investments in associates	236	222	14
Total	**7,109**	**8,484**	**(1,375)**

The item Investments in joint ventures refers to the investment in Zongshen Piaggio Foshan Motorcycles Co.Ltd, in which the Group holds 45% (12.5% through its direct subsidiary Piaggio China Company Ltd). This investment was classified under "joint ventures" in relation to agreements made in the contract signed on 15 April 2004 between Piaggio & C. S.p.A. and its long-term partner Foshan Motorcycle Plant, on the one hand, and the Chinese company Zongshen Industrial Group Company Limited on the other.
The carrying amount of the investment reflects the pro-rata shareholders' equity adjusted to take account of the valuation criteria adopted by the Group.

The table below summarises main financial data of the joint venture:

IN THOUSANDS OF EUROS		ACCOUNTS AS OF 31 DECEMBER 2024		ACCOUNTS AS OF 31 DECEMBER 2023
ZONGSHEN PIAGGIO FOSHAN MOTORCYCLE CO.				
		45% *		45% *
Intangible assets	317	143	377	169
Property, plant and equipment	5,765	2,594	7,441	3,349
Rights of use	2,492	1,121	2,526	1,137
Trade receivables	5,677	2,555	7,044	3,170
Other receivables	2,231	1,004	2,315	1,042
Tax receivables	149	67	343	154
Inventories	5,396	2,428	8,440	3,798
Cash and cash equivalents	3,941	1,773	2,745	1,235
TOTAL ASSETS	**25,967**	**11,685**	**31,232**	**14,054**
Shareholders' equity	**16,560**	**7,452**	**20,334**	**9,150**
Financial liabilities	3,956	1,708	4,567	2,055
Trade payables	4,302	1,936	5,419	2,438
Other provisions	141	64	281	127
Retirement funds and employee benefits	0	0	298	134
Tax payables	27	12	196	88
Other payables	980	441	136	61
Total liabilities	**9,407**	**4,233**	**10,898**	**4,904**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**25,967**	**11,685**	**31,232**	**14,054**
*Group ownership				
Shareholders' equity attributable to the Group		7,452		9.150
Elimination of margins on internal transactions		(579)		(888)
Value of the investment		**6,873**		**8,262**

IN THOUSANDS OF EUROS	
RECONCILIATION OF SHAREHOLDERS' EQUITY	
Opening balance as of 1 January 2024	**8,262**
Profit (Loss) for the period	(1,968)
Statement of Comprehensive Income	270
Elimination of margins on internal transactions	309
Closing value as of 31 December 2024	**6,873**

Investments in associates €/000 236

This item comprises:

IN THOUSANDS OF EUROS	CARRYING AMOUNT AS OF 31 DECEMBER 2023	ADJUSTMENT	CARRYING AMOUNT AS OF 31 DECEMBER 2024
ASSOCIATES			
Immsi Audit S.c.a.r.l.	10		10
S.A.T. S.A. – Tunisia	0		0
Depuradora D'Aigues de Martorelles	28		28
Pontedera & Tecnologia S.c.a.r.l.	184	14	198
Total associates	**222**	**14**	**236**

During the year, the value of investments in associates was adjusted to the corresponding shareholders' equity value.

37. Other financial assets (current and non-current) €/000 16

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024			AS OF 31 DECEMBER 2023			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Financial assets			0	6,205		6,205	(6,205)	0	(6,205)
Investments in other companies		16	16		16	16	0	0	0
Total	**0**	**16**	**16**	**6,205**	**16**	**6,221**	**(6,205)**	**0**	**(6,205)**

The breakdown of the item 'Investments in other companies' is shown in the table below:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023
OTHER COMPANIES:		
A.N.C.M.A. – Rome	2	2
ECOFOR SERVICE S.p.A. – Pontedera	2	2
Consorzio Fiat Media Center – Turin	3	3
S.C.P.S.T.V.	0	0
IVM	9	9
Total other companies	**16**	**16**

38. Cash and cash equivalents €/000 149,693

The item mainly includes ultra short-term and on demand bank deposits.

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Bank and postal deposits	149,650	181,645	(31,995)
Cash on hand	43	47	(4)
Total	**149,693**	**181,692**	**(31,999)**

Reconciliation of cash and cash equivalents recognised in the statement of financial position as assets with cash and cash equivalents recognised in the Statement of Cash Flows

The table below reconciles the amount of cash and cash equivalents above with cash and cash equivalents recognised in the Statement of Cash Flows.

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Liquidity	149,693	181,692	(31,999)
Current account overdrafts	(1,441)	(2,544)	1,103
Closing balance	**148,252**	**179,148**	**(30,896)**

39. Financial liabilities and financial liabilities for rights of use (current and non-current) €/000 683,666

During 2024, the Group's total debt increased by €/000 61,736. Excluding the change in financial liabilities for rights of use, the Group's total financial debt increased by €/000 65,126 as of 31 December 2024.

IN THOUSANDS OF EUROS	FINANCIAL LIABILITIES AS OF 31 DECEMBER 2024			FINANCIAL LIABILITIES AS OF 31 DECEMBER 2023			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Financial liabilities	133,537	523,518	657,055	124,876	467,053	591,929	8,661	56,465	65,126
Financial liabilities for rights of use	10,024	16,587	26,611	10,336	19,665	30,001	(312)	(3,078)	(3,390)
Total	**143,561**	**540,105**	**683,666**	**135,212**	**486,718**	**621,930**	**8,349**	**53,387**	**61,736**

Net financial debt of the Group amounted to €/000 533,973 as of 31 December 2024 compared to €/000 434,033 as of 31 December 2023.

The composition of "Total financial indebtedness" as of 31 December 2024, prepared in accordance with paragraph 175 and following of ESMA Recommendations 2021/32/382/1138, is set out below.

Consolidated net financial position (or Consolidated net financial debt)[95]

IN THOUSANDS OF EUROS		AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
A	**Cash**	**149,693**	**181,692**	**(31,999)**
B	**Cash equivalents**			**0**
C	**Other current financial assets**		**6,205**	**(6,205)**
D	**Liquidity (A + B + C)**	**149,693**	**187,897**	**(38,204)**
E	**Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)**	**(99,703)**	**(68,634)**	**(31,069)**
	Payables due to banks	(78,446)	(50,275)	(28,171)
	Debenture loan			0
	Amounts due to factoring companies	(11,162)	(7,952)	(3,210)
	Financial liabilities for rights of use	(10,024)	(10,336)	312
	.of which finance leases	*(1,275)*	*(1,240)*	*(35)*
	.of which operating leases	*(8,749)*	*(9,096)*	*347*
	Current portion of payables due to other lenders	(71)	(71)	0
F	**Current portion of non-current financial debt**	**(43,858)**	**(66,578)**	**22,720**
G	**Current financial indebtedness (E + F)**	**(143,561)**	**(135,212)**	**(8,349)**
H	**Net current financial indebtedness (G - D)**	**6,132**	**52,685**	**(46,553)**
I	**Non-current financial debt (excluding current portion and debt instruments)**	**(293,718)**	**(240,818)**	**(52,900)**
	Medium-/long-term bank loans	(277,096)	(221,047)	(56,049)
	Financial liabilities for rights of use	(16,587)	(19,665)	3,078
	.of which finance leases	*(790)*	*(2,066)*	*1,276*
	.of which operating leases	*(15,797)*	*(17,599)*	*1,802*
	Amounts due to other lenders	(35)	(106)	71
J	**Debt instruments**	**(246,387)**	**(245,900)**	**(487)**
K	**Non-current trade and other payables**			**0**
L	**Non-current financial indebtedness (I + J + K)**	**(540,105)**	**(486,718)**	**(53,387)**
M	**Total financial indebtedness (H + L)**	**(533,973)**	**(434,033)**	**(99,940)**

As regards indirect factoring, please refer to the comment in Note 27 "Trade payables".

95 The indicator does not include financial assets and liabilities originated from fair value measurement, designated hedging and non-hedging derivative financial instruments, the fair value adjustment of the related hedged items, in any case amounting to €/000 0 as of 31 December 2024 and 2023, and related accruals.

The following table summarises the changes that occurred in the last two years.

IN THOUSANDS OF EUROS			CASH FLOWS						
		BALANCE AS OF 31.12.2022	MOVEMENTS	REPAYMENTS	NEW ISSUES	RECLASSIFICATIONS	EXCHANGE DELTA	OTHER CHANGES	BALANCE AS OF 31.12.2023
A	**Cash and cash equivalents**	**242,616**	**(55,374)**				**(5,550)**		**181,692**
B	**Cash equivalents**								**0**
C	**Other current financial assets**		**6,205**						**6,205**
D	**Liquidity (A + B + C)**	**242,616**	**(49,169)**	**0**	**0**	**0**	**(5,550)**	**0**	**187,897**
E	**Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)**	**(33,739)**	**0**	**22,274**	**(49,228)**	**(9,461)**	**1,502**	**18**	**(68,634)**
	Current account overdrafts	(64)		64	(2,544)				(2,544)
	Current account payables	(10,372)		81	(38,732)		1,292		(47,731)
	Total current bank loans	*(10,436)*	*0*	*145*	*(41,276)*	*0*	*1,292*	*0*	*(50,275)*
	Debenture loan	0							0
	Amounts due to factoring companies	(12,040)		12,040	(7,952)				(7,952)
	Financial liabilities for rights of use	(11,192)		10,019		(9,391)	210	18	(10,336)
	.of which finance leases	*(1,190)*		*1,171*		*(1,220)*		*(1)*	*(1,240)*
	.of which operating leases	*(10,002)*		*8,848*		*(8,171)*	*210*	*19*	*(9,096)*
	Current portion of payables due to other lenders	(71)		70		(70)			(71)
F	**Current portion of non-current financial debt**	**(48,602)**		**48,686**		**(66,241)**		**(421)**	**(66,578)**
G	**Current financial Indebtedness (E + F)**	**(82,341)**	**0**	**70,960**	**(49,228)**	**(75,702)**	**1,502**	**(403)**	**(135,212)**
H	**Net current financial indebtedness (G - D)**	**160,275**	**(49,169)**	**70,960**	**(49,228)**	**(75,702)**	**(4,048)**	**(403)**	**52,685**
I	**Non-current financial debt (excluding current portion and debt instruments)**	**(282,767)**	**0**	**2,000**	**(26,000)**	**75,702**	**359**	**(10,112)**	**(240,818)**
	Medium-/long-term bank loans	(264,878)		2,000	(26,000)	66,241		1,590	(221,047)
	Liabilities for rights of use	(17,713)			0	9,391	359	(11,702)	(19,665)
	.of which finance leases	*(3,286)*				*1,220*			*(2,066)*
	.of which operating leases	*(14,427)*				*8,171*	*359*	*(11,702)*	*(17,599)*
	Amounts due to other lenders	(176)				70			(106)
J	**Debt instruments**	**(245,736)**		**250,000**	**(250,000)**			**(164)**	**(245,900)**
K	**Non-current trade and other payables**								
L	**Non-current financial indebtedness (I + J + K)**	**(528,503)**	**0**	**252,000**	**(276,000)**	**75,702**	**359**	**(10,276)**	**(486,718)**
M	**Total financial indebtedness (H + L)**	**(368,228)**	**(49,169)**	**322,960**	**(325,228)**	**0**	**(3,689)**	**(10,679)**	**(434,033)**

IN THOUSANDS OF EUROS			CASH FLOWS						
		BALANCE AS OF 31.12.2023	MOVEMENTS	REPAYMENTS	NEW ISSUES	RECLASSIFICATIONS	EXCHANGE DELTA	OTHER CHANGES	BALANCE AS OF 31.12.2024
A	**Cash and cash equivalents**	**181,692**		**(34,785)**			**2,786**		**149,693**
B	**Cash equivalents**	**0**							**0**
C	**Other current financial assets**	**6,205**	**(6,205)**						**0**
D	**Liquidity (A + B + C)**	**187,897**	**(6,205)**	**(34,785)**	**0**	**0**	**2,786**	**0**	**149,693**
E	**Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)**	**(68,634)**	**0**	**24,807**	**(43,399)**	**(10,877)**	**(1,595)**	**(5)**	**(99,703)**
	Current account overdrafts	(2,544)		2,544	(1,441)				(1,441)
	Current account payables	(47,731)		2,917	(30,796)		(1,395)		(77,005)
	Total current bank loans	*(50,275)*	*0*	*5,461*	*(32,237)*	*0*	*(1,395)*	*0*	*(78,446)*
	Debenture loan	0							0
	Amounts due to factoring companies	(7,952)		7,952	(11,162)				(11,162)
	Financial liabilities for rights of use	(10,336)		11,323		(10,806)	(200)	(5)	(10,024)
	.of which finance leases	*(1,240)*		*1,242*		*(1,276)*		*(1)*	*(1,275)*
	.of which operating leases	*(9,096)*		*10,081*		*(9,530)*	*(200)*	*(4)*	*(8,749)*
	Current portion of payables due to other lenders	(71)		71		(71)			(71)
F	**Current portion of non-current financial debt**	**(66,578)**		**69,300**		**(46,458)**		**(122)**	**(43,858)**
G	**Current financial Indebtedness (E + F)**	**(135,212)**	**0**	**94,107**	**(43,399)**	**(57,335)**	**(1,595)**	**(127)**	**(143,561)**
H	**Net current financial indebtedness (G - D)**	**52,685**	**(6,205)**	**59,322**	**(43,399)**	**(57,335)**	**1,191**	**(127)**	**6,132**
I	**Non-current financial debt (excluding current portion and debt instruments)**	**(240,818)**	**0**	**0**	**(102,000)**	**57,335**	**(327)**	**(7,908)**	**(293,718)**
	Medium-/long-term bank loans	(221,047)			(102,000)	46,458		(507)	(277,096)
	Liabilities for rights of use	(19,665)			0	10,806	(327)	(7,401)	(16,587)
	.of which finance leases	*(2,066)*				*1,276*			*(790)*
	.of which operating leases	*(17,599)*				*9,530*	*(327)*	*(7,401)*	*(15,797)*
	Amounts due to other lenders	(106)				71			(35)
J	**Debt instruments**	**(245,900)**						**(487)**	**(246,387)**
K	**Non-current trade and other payables**								
L	**Non-current financial indebtedness (I + J + K)**	**(486,718)**	**0**	**0**	**(102,000)**	**57,335**	**(327)**	**(8,395)**	**(540,105)**
M	**Total financial indebtedness (H + L)**	**(434,033)**	**(6,205)**	**59,322**	**(145,399)**	**0**	**864**	**(8,522)**	**(533,973)**

Financial liabilities €/000 657,055

Financial liabilities are broken down as follows:

IN THOUSANDS OF EUROS	ACCOUNTING BALANCE AS OF		NOMINAL VALUE AS OF	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Bank loans	399,400	337,900	401,290	340,418
Bonds	246,387	245,900	250,000	250,000
Other loans	11,268	8,129	11,268	8,129
Total	**657,055**	**591,929**	**662,558**	**598,547**

IN THOUSANDS OF EUROS	ACCOUNTING BALANCE AS OF 31.12.2024	ACCOUNTING BALANCE AS OF 31.12.2023	CHANGE
Current financial debt	133,537	124,876	8,661
Non-current financial debt	523,518	467,053	56,465
Financial debt	**657,055**	**591,929**	**65,126**
Fixed-rate gross debt	409,379	387,050	22,329
Variable-rate gross debt	247,676	204,879	42,797
Financial debt	**657,055**	**591,929**	**65,126**

The following table shows the repayment schedule as of 31 December 2024:

IN THOUSANDS OF EUROS	NOMINAL VALUE AS OF 31.12.2024	AMOUNTS FALLING DUE WITHIN 12 MONTHS	AMOUNTS FALLING DUE AFTER 12 MONTHS	AMOUNTS FALLING DUE IN 2026	2027	2028	2029	AFTER
Bank loans	401,290	122,361	278,929	94,763	78,938	33,771	37,171	34,286
- of which opening of credit lines and bank overdrafts	*78,446*	*78,446*	*0*					
- of which medium- to long-term financing	*322,844*	*43,915*	*278,929*	*94,763*	*78,938*	*33,771*	*37,171*	*34,286*
Bonds	250,000		250,000					250,000
Other loans	11,268	11,233	35	35				
Total	**662,558**	**133,594**	**528,964**	**94,798**	**78,938**	**33,771**	**37,171**	**284,286**

The following table analyses financial debt by currency.

IN THOUSANDS OF EUROS	ACCOUNTING BALANCE AS OF 31.12.2023	ACCOUNTING BALANCE AS OF 31.12.2024	NOMINAL VALUE AS OF 31.12.2024
Euros	562,198	597,436	602,939
Indian Rupee		614	614
Chinese Yuan	4,636	8,979	8,979
US Dollar		12,032	12,032
Vietnamese Dong	17,570	30,461	30,461
Singapore Dollar	4,455	4,589	4,589
Japanese Yen	3,070	2,944	2,944
Total non-euro currencies	*29,731*	*59,619*	*59,619*
Total	**591,929**	**657,055**	**662,558**

Medium and long-term bank debt amounts to €/000 320,954 (of which €/000 277,096 non-current and €/000 43,858 current) and consists of the following loans:

- a €/000 34,969 (nominal value €/000 35,000) medium-term loan granted by the European Investment Bank to support Research and Development projects of investment plans, scheduled for the Piaggio Group's Italian sites in the 2019-2021 period. The loan will mature in February 2027 and has a repayment schedule of 6 fixed-rate annual instalments. Contract terms require covenants (described below);
- a €/000 20,000 medium-term loan granted by the European Investment Bank to support Research and Development projects of investment plans, scheduled for the Piaggio Group's Italian sites in the 2019-2021 period. The loan will mature in March 2028 and has a repayment schedule of 6 fixed-rate annual instalments. Contract terms require covenants (described below);
- a €/000 59,922 (nominal value €/000 60,000) medium-term loan granted by the European Investment Bank to support Research and Development activities in applied technologies for electric vehicles for the period 2022-2025. The loan will expire in January 2033 and provides for an amortisation plan in seven annual fixed-rate instalments with a two-year grace period;
- €/000 3,728 (with a nominal value of €/000 5,000) for use of the syndicated revolving loan facility for a total of €/000 200,000 maturing on 15 November 2027 (with a one-year extension at the discretion of the borrower). Contract terms require covenants (described below);

- a €/000 86,671 (nominal value of €/000 87,000) 'Schuldschein' loan issued between October 2021 and February 2022 and subscribed by leading market participants. It consists of 7 tranches with 5- and 7-year maturities at fixed and floating rates and a final maturity in February 2029;
- a €/000 13,449 (nominal value of €/000 13,500) medium-term loan granted by Banca Popolare Emilia Romagna. The loan will fall due on 31 December 2027 and has a repayment schedule of six-monthly instalments. Contract terms require covenants (described below);
- a €/000 6,653 (nominal value of €/000 6,667) loan granted by Banco BPM with a repayment schedule of six-monthly instalments and last payment in July 2025. An Interest Rate Swap has been taken out on this loan to hedge the interest rate risk. Contract terms require covenants (described below);
- a €/000 13,333 medium-term loan granted by Cassa Depositi e Prestiti to support international growth in India and Indonesia. The loan has a duration of 5 years expiring on 30 August 2026. It entails a repayment plan with six-monthly instalments and a 12-month grace period. Contract terms require covenants (described below);
- a €/000 23,366 (nominal value €/000 23,400) medium-term loan granted by Cassa Depositi e Prestiti to support Research and Development activities in applied technologies for electric vehicles for the period 2022-2025. The loan has a repayment amortisation with six-monthly instalments and matures on 30 April 2029;
- a €/000 1,494 (nominal value of €/000 1,500) medium-term loan granted by Banca Popolare di Sondrio, maturing on 1 June 2026 and with a quarterly repayment schedule;
- a €/000 2,996 (nominal value of €/000 3,000) medium-term loan granted by Cassa di Risparmio di Bolzano, maturing on 30 June 2026 and with a quarterly repayment schedule. Contract terms require covenants (described below);
- a €/000 2,443 (nominal value of €/000 2,445) medium-term loan granted by Banca Popolare Emilia Romagna - formerly Banca Carige, maturing on 31 December 2026 and with a quarterly repayment schedule;
- a €/000 14,986 (with a nominal value of €/000 15,000) medium-term loan granted by Oldenburgische Landensbank Aktiengesellschaft with on-time maturity on 30 September 2027. Contract terms require covenants (described below);
- a €/000 11,000 medium-term loan granted by Oldenburgische Landensbank Aktiengesellschaft with one-time maturity on 31 December 2029. Contract terms require covenants (described below);
- a €/000 23,944 (with a nominal value of €/000 24,000) medium-term loan granted by Banca Nazionale del Lavoro with one-time maturity on 5 January 2027. Contract terms require covenants (described below). An Interest Rate Swap has been taken out on this loan to hedge the interest rate risk;
- a €/000 2,000 revolving loan facility granted by Banca del Mezzogiorno for a total of €/000 20,000 maturing in July 2029. Contract terms require covenants (described below).

The Parent Company also has the following revolving credit facilities and loans undrawn at 31 December 2024:
- a €/000 40,000 revolving credit line granted by Credit Agricole maturing on 15 November 2027 (with a one-year extension at the borrower's discretion);
- a €/000 12,500 revolving loan facility granted by Banca Popolare dell'Emilia Romagna maturing on 2 August 2026.

All the above financial liabilities are unsecured.

The item 'Bonds' amounted to €/000 246,387 (nominal value of €/000 250,000) related to a high-yield debenture loan issued on 5 October 2023 for €/000 250,000, maturing on 5 October 2030 and with a semi-annual coupon with fixed annual nominal rate of 6.50%.
Standard & Poor's and Moody's assigned a BB- rating with a stable outlook and a Ba3 rating with a stable outlook respectively.
It should be noted that the Company may repay in advance all or part of the High Yield bond issued on 5 October 2023 on the terms specified in the indenture. The value of prepayment options was not deducted from the original contract, as these are considered as being closely related to the host instrument, as provided for by IFRS 9 b4.3.5.

Financial advances received from factoring companies and banks, on the sale of trade receivables with recourse, totalled €/000 11,162.

Medium-/long-term payables to other lenders equal to €/000 106 of which €/000 35 maturing after the year and €/000 71 as the current portion refer to a loan from the Region of Tuscany, pursuant to regulations on incentives for investments in research and development.

Covenants

In line with market practices for borrowers with a similar credit rating, main loan contracts require compliance with:
1. financial covenants, on the basis of which the company undertakes to comply with certain levels of contractually defined financial indices, with the most significant comprising the ratio of net financial debt/gross operating margin (EBITDA), measured on the consolidated perimeter of the Group, according to definitions agreed on with lenders;
2. negative pledges according to which the company may not establish collaterals or other constraints on company assets;
3. 'pari passu' clauses, on the basis of which the loans will have the same repayment priority as other financial liabilities, and change of control clauses, which are effective if the majority shareholder loses control of the company;
4. limitations on the extraordinary operations the company may carry out.

The measurement of financial covenants and other contract commitments is monitored by the Group on an ongoing basis.
The high yield debenture loan issued by the Company in October 2023 provides for compliance with covenants which are typical of international practice on the high yield market. In particular, the Company must observe the EBITDA/Net financial borrowing costs index, according to the threshold set forth in the Regulation, to increase financial debt defined during issue. In addition, the Regulation includes some obligations for the issuer, which limit, inter alia, the capacity to:
1. pay dividends or distribute capital;
2. make some payments;
3. grant collaterals for loans;
4. merge with or establish some companies;
5. sell or transfer own assets.

Failure to comply with the covenants and other contract commitments of the loan and debenture loan, if not remedied in agreed times, may give rise to an obligation for the early repayment of the outstanding amount of the loan.

It should be noted that as of 31 December 2024 all covenants had been fully complied with.

Amortised Cost and Fair Value Measurement

All financial liabilities are recognised in accordance with accounting standards using the amortised cost method (with the exception of liabilities on which hedging derivatives are measured at Fair Value Through Profit & Loss, for which the same valuation criteria apply as for the derivative). According to this criterion, the nominal amount of the liability is reduced by the amount of the related issue and/or stipulation costs, as well as any costs associated with the refinancing of previous liabilities. The amortisation of these costs is determined on an effective interest rate basis, and namely the rate which discounts the future flows of interest expenses and reimbursements of principle at the net carrying amount of the financial liability.
IFRS 13 – Fair Value Measurement defines fair value on the basis of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In the absence of an active market or market that does not operate regularly, fair value is measured by valuation techniques. The standard defines a fair value hierarchy:
- level 1 – quoted prices in active markets for assets or liabilities measured;
- level 2 – inputs other than quoted prices included within Level 1 that are observable directly (prices) or indirectly (derived from prices) on the market;
- level 3 – inputs not based on observable market data.

The valuation techniques referred to levels 2 and 3 must take into account adjustment factors that measure the risk of insolvency of both parties. To this end, the standard introduces the concepts of Credit Value Adjustment (CVA) and Debit Value Adjustment (DVA): CVA allows the counterparty credit risk to be included in the determination of fair value; the DVA reflects the Group's insolvency risk.

The table below, which does not include tranches maturing within 18 months, shows the fair value of payables measured using the amortised cost method as of 31 December 2024:

IN THOUSANDS OF EUROS	NOMINAL VALUE	CARRYING AMOUNT	FAIR VALUE [96]
High yield debenture loan	250,000	246,387	268,128
EIB RDI	35,000	34,969	34,707
EIB RDI step up	20,000	20,000	14,891
BEI e-mobility	60,000	59,922	65,715
RCF Pool	5,000	3,728	5,305
Loan from B. Pop. Emilia Romagna	13,500	13,449	11,450
Loan from CDP	13,333	13,333	10,179
CDP e-mobility financing	23,400	23,366	24,479
Loan from BNL	24,000	23,944	24,204
Loan from the former Banca CARIGE	2,445	2,443	2,420
2027 loan from OLB	15,000	14,986	15,788
2029 loan from OLB	11,000	11,000	12,028
Banca del Mezzogiorno RCF	2,000	2,000	2,129
Schuldschein loans	87,000	86,670	90,937

For liabilities due within 18 months, the carrying amount is basically considered the same as the fair value.

Fair value hierarchy

The following table shows the assets and liabilities that are measured and recognised at fair value as of 31 December 2024, by fair value hierarchy level.

IN THOUSANDS OF EUROS	LEVEL 1	LEVEL 2	LEVEL 3
ASSETS MEASURED AT FAIR VALUE			
Financial derivatives:			
- of which financial assets			
- of which other receivables		5,553	
Investments in other companies			16
Total assets		**5,553**	**16**
LIABILITIES MEASURED AT FAIR VALUE			
Financial derivatives			
- of which financial liabilities			
- of which other payables		(2,210)	
Financial liabilities at fair value recognised through profit or loss.			
Total liabilities		**(2,210)**	
General total		**3,343**	**16**

The following table shows the changes in Level 2 and Level 3 during 2024:

IN THOUSANDS OF EUROS	LEVEL 2	LEVEL 3
Balance as of 31 December 2023	**(1,238)**	**16**
Gain (loss) recognised in profit or loss		
Gain (loss) recognised in the statement of comprehensive income	4,581	
Increases/(Decreases)		
Balance as of 31 December 2024	**3,343**	**16**

Financial liabilities for rights of use €/000 26,211

As required by IFRS 16, financial liabilities for rights of use include financial lease liabilities as well as payments due on operating lease agreements.

96 The value deducts DVA related to the issuer, i.e. it includes the risk of insolvency of Piaggio.

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024			AS OF 31 DECEMBER 2023			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Operating leases	8,749	15,797	24,546	9,096	17,599	26,695	(347)	(1,802)	(2,149)
Finance leases	1,275	790	2,065	1,240	2,066	3,306	35	(1,276)	(1,241)
Total	**10,024**	**16,587**	**26,611**	**10,336**	**19,665**	**30,001**	**(312)**	**(3,078)**	**(3,390)**

Operating lease liabilities include payables to the parent companies Immsi and Omniaholding for €/000 5,366 (€/000 3,887 non-current portion).
Finance lease payables amount to €/000 2,065 (nominal value of €/000 2,067) and refer to a Sale&Lease back agreement on a production plant of the Parent Company granted by Albaleasing. The loan matures in August 2026 and envisages quarterly repayments (non-current portion equal to €/000 790).

The following table shows the repayment schedule as of 31 December 2024:

IN THOUSANDS OF EUROS				AMOUNTS FALLING DUE IN				
	CARRYING AMOUNT AS OF 31.12.2024	AMOUNTS FALLING DUE WITHIN 12 MONTHS	AMOUNTS FALLING DUE AFTER 12 MONTHS	2026	2027	2028	2029	AFTER
Rights of use								
- of which from operating leases	24,546	8,749	15,797	5,780	3,687	2,237	2,011	2,082
- of which from finance leases	2,065	1,275	790	790				
Total	**26,611**	**10,024**	**16,587**	**6,570**	**3,687**	**2,237**	**2,011**	**2,082**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(F) FINANCIAL RISK MANAGEMENT

This section describes the financial risks to which the Group is exposed and how these risks could affect future results.

40. Credit risk

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

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023
Bank and postal deposits	149,650	181,645
Financial receivables	16	6,221
Other receivables	108,446	105,138
Tax receivables	27,260	28,533
Trade receivables	72,116	58,878
Total	**357,488**	**380,415**

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

41. Financial risks

The financial risks to which the Group is exposed are Liquidity Risk, Exchange Risk, Interest Rate Risk, Credit Risk and to a lesser extent Commodity Risk.
The management of these risks, in order to reduce management costs and dedicated resources, is centralised and treasury operations take place in accordance with formal policies and guidelines which are applicable to all Group companies.

Liquidity risk and capital management

The liquidity risk arises from the possibility that available financial resources are not sufficient to cover, in due times and procedures, future payments arising from financial and/or commercial obligations. To deal with these risks, cash flows and the Group's credit line needs are monitored or managed centrally under the control of the Group's Treasury in order to guarantee an effective and efficient management of the financial resources as well as optimise the debt's maturity standpoint.
In addition, the Parent Company finances the temporary cash requirements of Group companies by providing direct short-term loans regulated in market conditions or guarantees. A cash pooling zero balance system is used between the Parent Company and European companies to reset the receivable and payable balances of subsidiaries on a daily basis, for a more effective and efficient management of liquidity in the euro area.
As of 31 December 2024 the most important sources of financing irrevocable until maturity granted to the Parent Company were as follows:

- a debenture loan of €/000 250,000 maturing in October 2030;
- a Schuldschein loan of €/000 87,000, with final settlement in February 2029;
- a €/000 200,000 revolving loan facility maturing in November 2027;
- revolving credit facilities for a total of €/000 72,500, with final settlement in January 2029;
- loans for a total of €/000 228,845, with final settlement in January 2033.

As of 31 December 2024, the Group had a liquidity of €/000 149,693, undrawn irrevocable credit lines of €/000 265,500 and revocable credit lines of €/000 213,471, as detailed below:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023
Variable rate with maturity within one year - irrevocable until maturity		
Variable rate with maturity after one year - irrevocable until maturity	265,500	280,500
Variable rate with maturity within one year - cash revocable	213,471	185,968
Variable rate with maturity within one year - with revocation for self-liquidating typologies		
Total undrawn credit lines	**478,971**	**466,468**

The following table shows the timing of expected future outgoings for trade payables:

IN THOUSANDS OF EUROS	WITHIN 30 DAYS	BETWEEN 31 AND 60 DAYS	BETWEEN 61 AND 90 DAYS	OVER 90 DAYS	TOTAL AS OF 31 DECEMBER 2024
Trade payables	318,290	152,984	44,351	55,490	571,115

Management believes that the funds currently available, in addition to those that will be generated by operating and financing activities, will allow the Group to meet its needs arising from investment activities, working capital management and the repayment of debts at their natural due dates, and will ensure an adequate level of operational and strategic flexibility.

Exchange risk

The Group operates in an international context where transactions are conducted in currencies different from the Euro. This exposes the Group to risks arising from exchange rates fluctuations. For this purpose, the Group has an exchange rate risk management policy which aims to neutralise the possible negative effects of the changes in exchange rates on company cash flows.
This policy analyses:

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

Cash flow hedging

As of 31 December 2024, the Group had undertaken the following futures operations (recognised based on the settlement date), relative to payables and receivables already recognised to hedge the transaction exchange risk:

COMPANY	OPERATION	CURRENCY	AMOUNT IN CURRENCY	COUNTERVALUE IN LOCAL CURRENCY (FORWARD EXCHANGE RATE)	AVERAGE MATURITY
			IN THOUSANDS	IN THOUSANDS	
Piaggio & C.	Purchase	CAD	155	105	31/01/2025
Piaggio & C.	Purchase	CNY	114,300	14,918	17/01/2025
Piaggio & C.	Purchase	JPY	215,000	1,339	29/01/2025
Piaggio & C.	Purchase	SEK	1,500	130	02/01/2025
Piaggio & C.	Purchase	USD	35,815	33,790	28/01/2025
Piaggio & C.	Sale	CAD	200	134	31/01/2025
Piaggio & C.	Sale	CNY	43,750	5,736	30/01/2025
Piaggio & C.	Sale	GBP	300	359	31/03/2025
Piaggio & C.	Sale	JPY	40,500	251	29/01/2025
Piaggio & C.	Sale	SEK	1,500	130	02/01/2025
Piaggio & C.	Sale	USD	23,300	21,963	11/02/2025
Piaggio & C.	Sale	VND	523,586,375	18,612	24/04/2025
Piaggio Vietnam	Sale	USD	31,678	800,675,379	12/02/2025
Piaggio Vespa BV	Sale	VND	301,125,000	10,693	22/04/2025
Piaggio Indonesia	Purchase	USD	14,184	224,540,185	10/02/2025
Piaggio Vehicles Private Limited	Sale	USD	500	42,330	31/01/2025

As of 31 December 2024, the Group had undertaken the following hedging transactions on economic exchange risk:

COMPANY	OPERATION	CURRENCY	AMOUNT IN CURRENCY	VALUE IN LOCAL CURRENCY (FORWARD EXCHANGE RATE)	AVERAGE MATURITY
			IN THOUSANDS	IN THOUSANDS	
Piaggio & C.	Purchase	CNY	200,000	25,580	24/06/2025
Piaggio & C.	Purchase	INR	4,408,645	45,623	21/09/2025
Piaggio & C.	Purchase	USD	55,000	49,569	31/05/2025
Piaggio & C.	Sale	USD	70,000	64,682	20/05/2025
Piaggio & C.	Sale	GBP	6,000	7,157	29/06/2025

To hedge the economic exchange risk alone, cash flow hedging is adopted with the effective portion of profits and losses recognised in a specific shareholders' equity reserve. Fair value is determined based on market quotations provided by main traders.

As of 31 December 2024, the total fair value of hedging instruments for the economic exchange risk recognised on a hedge accounting basis was negative by €/000 3,525. During 2024, gains were recognised in Other Comprehensive Income amounting to €/000 3,997 and profits from Other Comprehensive Income amounting to €/000 476 were reclassified under profit/loss for the period.

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

IN MILLIONS OF EUROS	CASH FLOW 2024
Canadian Dollar	10.2
Pound Sterling	19.2
Swedish Krone	(2.2)
Japanese Yen	(2.8)
US Dollar	40.6
Indian Rupee	(46.1)
Chinese Yuan[97]	(107.9)
Vietnamese Dong	(127.9)
Singapore Dollar	(3.6)
Indonesian Rupiah	84.2
Total cash flow in foreign currency	**(136.3)**

In view of the above, an assumed appreciation/depreciation of 3% of the Euro would have generated potential profits for €/000 3,968 and potential losses for €/000 4,213 respectively.

Interest rate risk

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

As of 31 December 2024, the following derivatives were in place for hedging purposes:

Cash flow hedging

- An Interest Rate Swap to hedge the variable-rate loan for a nominal amount of €/000 6,667 from Banco BPM. The purpose of the instrument is to manage and mitigate exposure to interest rate risk; in accounting terms, the instrument is recognised on a cash flow hedge basis with the allocation of gains/losses arising from the fair value measurement to a specific Shareholders' equity reserve; as of 31 December 2024, the fair value of the instrument was positive for €/000 60; the sensitivity analysis of the instrument, assuming a 1% increase and decrease in the shift of the interest rates curve, showed a potential impact on equity, net of the related tax effect, of €/000 -16 and €/000 -50 respectively;
- an Interest Rate Swap to hedge the variable-rate loan for a nominal amount of €/000 24,000 from Banca Nazionale del Lavoro. The purpose of the instrument is to manage and mitigate exposure to interest rate risk; in accounting terms, the instrument is recognised on a cash flow hedge basis with the allocation of gains/losses arising from the fair value measurement to a specific Shareholders' equity reserve; as of 31 December 2024, the fair value of the instrument was negative for €/000 211; the sensitivity analysis of the instrument, assuming a 1% increase and decrease in the shift of the interest rates curve, showed a potential impact on equity, net of the related tax effect, of €/000 53 and €/000 -503 respectively.

97 Flow partially settled in euro.

Commodities price risk

This risk arises from the possibility of changes in company profitability due to fluctuations in metal and energy prices (specifically platinum, palladium, aluminium and gas). The Group's objective is therefore to neutralise such possible adverse changes deriving from highly probable future transactions by compensating them with opposite variations related to the hedging instrument.

Cash flow hedging is adopted with this type of hedging, with the effective portion of profits and losses recognised in a specific shareholders' equity reserve. Fair value is determined based on market quotations provided by main traders.

As of 31 December 2024, the total fair value of hedging instruments for commodity price risk recognised on a hedge accounting basis was negative for €/000 31. During 2024, losses were recognised under Other Comprehensive Income amounting to €/000 31 and profits from Other Comprehensive Income were reclassified under profit/loss for the period amounting to €/000 547.

IN THOUSANDS OF EUROS	FAIR VALUE
PIAGGIO & C. S.P.A.	
Interest Rate Swap	(151)
Commodity hedges	(31)

G) INFORMATION ON SHAREHOLDERS' EQUITY

42. Share capital and reserves €/000 418,164

Share capital €/000 207,614

The share capital of the Parent Company Piaggio & C. S.p.A. remained unchanged as of 31 December 2023 and was equal to €207,613,944.37. The structure of share capital, fully subscribed and paid up, is indicated in the next table:

SHARE CAPITAL STRUCTURE AS OF 31 DECEMBER 2024

	NO. OF SHARES	% COMPARED TO THE SHARE CAPITAL	MARKET LISTING	RIGHTS AND OBLIGATIONS
Ordinary shares	354,632,049	100%	MTA	Right to vote in the Ordinary and Extraordinary Shareholders' Meetings of the Company

The shares of the Company are without nominal value, are indivisible, registered and issued on a dematerialisation basis, in the centralised management system of Monte Titoli S.p.A..
At the date of these financial statements, no other financial instruments with the right to subscribe to new issue shares had been issued, nor were there share-based incentive plans in place involving increases, also without a consideration, in share capital.

Treasury shares €/000 (2,694)

During the period, 610,500 treasury shares were acquired. Therefore, as of 31 December 2024, Piaggio & C. held 1,036,661 treasury shares, equal to 0.2923% of the shares issued.
In addition, a further 50,000 treasury shares were purchased in February 2025. Therefore, at the date of approval of these Financial Statements as of 31.12.2024, Piaggio & C. held 1,086,661 treasury shares, equivalent to 0.3064% of the shares issued.

OUTSTANDING SHARES AND OWN SHARES

NO. OF SHARES	2024	2023
Situation as of 1 January		
Shares issued	354,632,049	358,153,644
Of which treasury portfolio shares	426,161	3,521,595
Of which shares in circulation	354,205,888	354,632,049
Movements for the period		
Cancellation of treasury shares		(3,521,595)
Purchase of treasury shares	610,500	426,161
Situation as of 31 December		
Shares issued	354,632,049	354,632,049
Of which treasury portfolio shares	1,036,661	426,161
Of which shares in circulation	353,595,388	354,205,888

Share premium reserve €/000 7,171

The share premium reserve is unchanged from 31 December 2023.

Legal reserve €/000 37,237

The legal reserve as of 31 December 2024 had increased by €/000 4,530 as a result of the allocation of earnings for the last period.

Financial instruments' fair value reserve €/000 2,546

The financial instruments' fair value reserve relates to the effects of cash flow hedge accounting implemented on foreign currencies, interest and specific commercial transactions. These transactions are described in full in the note on financial instruments.

Approved dividends

The Ordinary Shareholders' Meeting of Piaggio & C. S.p.A. held on 17 April 2024 resolved to distribute a final dividend of 8 eurocents, before tax, for each ordinary share entitled (ex-dividend date no. 22 on 22 April 2024, record date 23 April 2024 and payment date 24 April 2024), in addition to the interim dividend of 12.5 eurocents paid on 20 September 2023 (ex-dividend date 18 September 2023), for a total dividend for the 2023 financial year of 20.5 eurocents. The total dividend from the remaining 2023 financial year profit after allocations to reserves amounted to a total of €72,630,957.04.

	DIVIDEND PAID IN THE YEAR			
	TOTAL		PER SHARE	
	2024	2023	2024	2023
	€/000	€/000	€	€
Of the previous year's result	28,336	35,461	0.08	0.100
Interim dividend for current year's result	40,734	44,295	0.115	0.125

The Board of Directors of Piaggio & C S.p.A. proposes to allocate the result achieved in 2024 and amounting to € 66,838,764.38 as follows:

- € 3,341,938.22 to the legal reserve;
- € 19,191,268.35 to the reserve 'from the measurement of investments in shareholders' equity';
- € 44,305,557.81 to shareholders by way of a dividend, of which €40,733,677.12 by way of an interim dividend already paid.

As resolved by the Board of Directors on 29 July 2024, the Company had already paid an interim dividend per share of €0.115 on 25 September 2024 with an ex-dividend date of 23 September 2024; and therefore requests the Board of Directors to propose to the Shareholders' Meeting to pay, in settlement of the interim dividend already paid, a dividend equal to Euro 0.04 for each ordinary share entitled, for a total maximum amount of Euro 14,141,815.52 to be taken from the available profit for the year for € 3,571,880.69 and € 10,569,934.83 from the "Retained earnings" reserve with the ex-dividend date of coupon no. 24 on 22 April 2025, record date coinciding with 23 April 2025 and payment date 24 April 2025.

Earnings reserve €/000 208,735

Capital and reserves of non-controlling interest €/000 (146)

The end of period figures refer to non-controlling interests in Aprilia Brasil Industria de Motociclos S.A.

43. Other comprehensive income/(loss) €/000 5,321

The figure is broken down as follows:

IN THOUSANDS OF EUROS	RESERVE FOR MEASUREMENT OF FINANCIAL INSTRUMENTS	GROUP TRANSLATION RESERVE	EARNINGS RESERVE	GROUP TOTAL	SHARE CAPITAL AND RESERVES ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	TOTAL OTHER COMPREHENSIVE INCOME
As of 31 December 2024						
Items that will not be reclassified in the income statement						
Remeasurements of defined benefit plans			(664)	(664)		(664)
Total	0	0	(664)	(664)	0	(664)
Items that may be reclassified in the income statement						
Exchange gain/(losses) arising on translation of foreign operations		2,199		2,199	29	2,228
Share of Other Comprehensive Income/(loss) of associates valued with the equity method		270		270		270
Total profits (losses) on cash flow hedges	3,487			3,487		3,487
Total	3,487	2,469	0	5,956	29	5,985
Other comprehensive income/(loss)	**3,487**	**2,469**	**(664)**	**5,292**	**29**	**5,321**
As of 31 December 2023						
Items that will not be reclassified in the income statement						
Remeasurements of defined benefit plans			(1,773)	(1,773)		(1,773)
Total	0	0	(1,773)	(1,773)	0	(1,773)
Items that may be reclassified in the income statement						
Exchange gain/(losses) arising on translation of foreign operations		(5,800)		(5,800)	(9)	(5,809)
Share of Other Comprehensive Income/(loss) of associates valued with the equity method		(657)		(657)		(657)
Total profits (losses) on cash flow hedges	(3,486)			(3,486)		(3,486)
Total	(3,486)	(6,457)	0	(9,943)	(9)	(9,952)
Other comprehensive income/(loss)	**(3,486)**	**(6,457)**	**(1,773)**	**(11,716)**	**(9)**	**(11,725)**

The tax effect related to other comprehensive income is broken down as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024			AS OF 31 DECEMBER 2023		
	GROSS VALUE	TAX (EXPENSE) / BENEFIT	NET VALUE	GROSS VALUE	TAX (EXPENSE) / BENEFIT	NET VALUE
Remeasurements of defined benefit plans	(674)	10	(664)	(1,789)	16	(1,773)
Exchange gain/(losses) arising on translation of foreign operations	2,228		2,228	(5,809)		(5,809)
Share of Other Comprehensive Income/(loss) of associates valued with the equity method	270		270	(657)		(657)
Total profits (losses) on cash flow hedges	4,588	(1,101)	3,487	(4,587)	1,101	(3,486)
Other comprehensive income/(loss)	**6,412**	**(1,091)**	**5,321**	**(12,842)**	**1,117**	**(11,725)**

H) OTHER INFORMATION

44. Share-based incentive plans

As of 31 December 2024, there were no incentive plans based on financial instruments.

45. Remuneration of Directors, Statutory Auditors and Key Management Personnel

For a complete description and analysis of Directors' and Statutory Auditors' remuneration, please see the remuneration report available at the company's registered office, as well as on the company's website in the 'Governance' section. It should be noted that the Company has not currently identified any key management personnel.

IN THOUSANDS OF EUROS	2024
Directors	2,145
Auditors	46
Total remuneration	**2,191**

46. Information on related parties

Revenues, costs, payables and receivables as of 31 December 2024 involving parent, subsidiary and associate companies, refer to the sale of goods or services which are a part of normal operations of the Group.
Transactions are carried out at normal market values, depending on the characteristics of the goods and services provided.
Information on related party transactions, including those required by Consob Communication No. DEM/6064293 of 28 July 2006, is presented below.
The procedure for transactions with related parties, pursuant to Article 4 of Consob Regulation no. 17221 of 12 March 2010 as amended, approved by the Board on 30 September 2010, is published on the institutional site of the Issuer **www.piaggiogroup.com**, under Governance.

Relations with Parent Companies

Piaggio & C. S.p.A. is controlled by the following companies:

NAME	REGISTERED OFFICE	TYPE	% OF OWNERSHIP AS OF 31 DECEMBER 2024	% OF OWNERSHIP AS OF 31 DECEMBER 2023
Immsi S.p.A.	Mantova - Italy	Direct parent company	50.5675	50.5675
Omniaholding S.p.A.	Mantova - Italy	Ultimate Parent Company	0.1269	

Piaggio & C. S.p.A. is subject to the management and coordination of IMMSI S.p.A. pursuant to Article 2497 and subsequent of the Italian Civil Code. During the period, management and coordination comprised the following activity:

- IMMSI has defined procedures and times for preparing the budget and in general the business plan of Group companies, as well as final management analysis to support management control activities.

In 2023, for a further three years, the Parent Company[98] signed up to the National Consolidated Tax Scheme pursuant to Articles 117 to 129 of the Consolidated Income Tax Act (T.U.I.R.) of which IMMSI S.p.A. is the consolidating company, and to whom other IMMSI Group companies report to. The consolidating company determines a single global income equal to the algebraic sum of taxable amounts (income or loss) realised by individual companies that opt for this type of group taxation.
The consolidating company recognises a receivable from the consolidated company which is equal to the corporate tax to be paid on the taxable income transferred by the latter. Whereas, in the case of companies reporting tax losses, the consolidating company recognises a payable related to corporate tax on the portion of loss actually used to determine global overall income, or calculated as a decrease of overall income for subsequent tax periods, according to the procedures in Article 84, based on the criterion established by the consolidation agreement.
Under the National Consolidated Tax Scheme, companies may, pursuant to article 96 of Presidential Decree no. 917/86, allocate the excess of interest payable which is not deductible to one of the companies so that, up to the excess of Gross Operating Income produced in the same tax period by other subjects party to the consolidation, the amount may be used to reduce the total income of the Group.
The lease agreements in place with parent companies, all of which were signed at normal market conditions, are reported below:
- Piaggio & C. S.p.A. has two office lease agreements with IMMSI, one for property in Via Broletto 13 in Milan, and the other for property in Via Abruzzi 25 in Rome. A part of the property in Via Broletto 13 in Milan is sub-leased by Piaggio & C. S.p.A. to Piaggio Concept Store Mantova Srl;
- Piaggio & C. S.p.A. has a lease agreement for offices owned by Omniaholding S.p.A. located at Via Marangoni 1/E in Mantova;
- Piaggio Concept Store Mantova Srl has a lease agreement in place with Omniaholding S.p.A. for the commercial spaces and unit located at Piazza Vilfredo Pareto 1 in Mantova.

Pursuant to Article 2.6.2, section 13 of the Regulation of Stock Markets organised and managed by Borsa Italiana S.p.A., the conditions as of Article 37 of Consob regulation 16191/2007 exist.

Transactions among Piaggio Group companies

The main relations among subsidiaries, eliminated in the consolidation process, refer to the following transactions:

Piaggio & C. S.p.A.

- sells vehicles, spare parts and accessories to sell on respective markets, to:
  - Piaggio Hrvatska
  - Piaggio Hellas
  - Piaggio Group Americas
  - Piaggio Vehicles Private Limited
  - Piaggio Vietnam
  - Piaggio Concept Store Mantova
  - Foshan Piaggio Vehicles Technology R&D
  - Piaggio Asia Pacific
  - Piaggio Group Japan
  - PT Piaggio Indonesia

- sells components to:
  - Piaggio Vehicles Private Limited
  - Piaggio Vietnam
  - Aprilia Racing

- It provides promotional material to:
  - Piaggio France
  - PT Piaggio Indonesia
  - Piaggio España
  - Piaggio Limited
  - Piaggio Deutschland

98 Aprilia Racing and Piaggio Concept Store Mantova were also party to the national consolidated tax convention, of which IMMSI S.p.A. is the consolidating company.

- grants licences for rights to use the brand and technological know-how to:
  - Piaggio Vehicles Private Limited
  - Piaggio Vietnam
  - Aprilia Racing
  - PT Piaggio Indonesia
  - PT Piaggio Indonesia Industrial

- provides support services for scooter and engine industrialisation to:
  - Piaggio Vehicles Private Limited
  - Piaggio Vietnam

- leases a part of the owned property to:
  - Aprilia Racing

- subleases a part of the rented property to:
  - Piaggio Concept Store Mantova

- has cash pooling agreements with:
  - Piaggio France
  - Piaggio Deutschland
  - Piaggio España
  - Piaggio Vespa
  - Aprilia Racing
  - Piaggio Concept Store Mantova

- has loan agreements with:
  - Piaggio Fast Forward
  - Aprilia Racing
  - Nacional Motor

- provides support services for staff functions to other Group companies;
- issues guarantees for the Group's subsidiaries, for medium-term loans.

Piaggio Vietnam sells vehicles, spare parts and accessories, which it has manufactured in some cases, for sale on respective markets, to:
- PT Piaggio Indonesia
- Piaggio Group Japan
- Piaggio & C. S.p.A.
- Foshan Piaggio Vehicles Technology R&D
- Piaggio Asia Pacific.

It also sells CKD vehicles to PT Piaggio Indonesia Industrial, which assembles them at its plant and then sells them to PT Piaggio Indonesia.

Piaggio Vehicles Private Limited sells to Piaggio & C. and Piaggio Group Americas vehicles, spare parts and accessories, for sale on respective markets, as well as to Piaggio & C. components and engines to use in manufacturing.

Piaggio Vehicles Private Limited and Piaggio Vietnam reciprocally exchange materials and components to use in their manufacturing activities.

Piaggio Hrvatska, Piaggio Hellas, Piaggio Group Americas, Piaggio Vietnam
- distribute vehicles, spare parts and accessories purchased by Piaggio & C. S.p.A. on their respective markets.

Piaggio Asia Pacific, PT Piaggio Indonesia, Piaggio Group Japan
- distribute vehicles, spare parts and accessories purchased from Piaggio & C. S.p.A., Piaggio Vietnam on markets in Asia where the Group is not present with its own companies.

Foshan Piaggio Vehicles Technology R&D supplies:
- Piaggio & C. S.p.A. with:
  - a component and vehicle design/development service;
  - and local supplier scouting services;
  - a distribution service for vehicles, spare parts and accessories on its own market.

- Piaggio Vehicles Private Limited with:
  - and local supplier scouting services;

- Piaggio Vietnam with:
  - and local supplier scouting services;
  - a distribution service for vehicles, spare parts and accessories on its own market.

Piaggio France, Piaggio Deutschland, Piaggio Limited, Piaggio España and Piaggio Vespa
- provide a sales promotion service and after-sales services to Piaggio & C. S.p.A. for their respective markets.

Piaggio Advanced Design Center supplies Piaggio & C. S.p.A. with:
- a vehicle and component research/design/development service.

Piaggio Fast Forward supplies Piaggio & C. S.p.A. with:
- a research/design/development service;
- some components to be used in the manufacturing activities.

Aprilia Racing supplies Piaggio & C. S.p.A. with:
- a service for the management and organisation of the racing team and the promotion of commercial brands (owned by Piaggio & C. S.p.A.).

Piaggio España supplies Nacional Motor with:
- an administrative/accounting service.

PT Piaggio Indonesia Industrial sells to PT Piaggio Indonesia:
- vehicles, spare parts and accessories, produced by it, for subsequent marketing on respective markets.

In accordance with the Group's policy on the international mobility of employees, the companies in charge of employees transferred to other subsidiaries re-invoice the costs of these employees to the companies benefiting from their work.

Relations between Piaggio Group companies and JV Zongshen Piaggio Foshan Motorcycle Co. Ltd.

Main intercompany relations between subsidiaries and JV Zongshen Piaggio Foshan Motorcycle Co. Ltd, refer to the following transactions:

Piaggio & C. S.p.A.
- grants licences for rights to use the brand and technological know-how to Zongshen Piaggio Foshan Motorcycle Co. Ltd..

Foshan Piaggio Vehicles Technology R&D
- provides advisory services to Zongshen Piaggio Foshan Motorcycle Co. Ltd.

Zongshen Piaggio Foshan Motorcycle Co. Ltd
- sells vehicles, spare parts and accessories, which it has manufactured in some cases, to the following companies for sale on their respective markets:
  - Piaggio Vietnam
  - Piaggio & C. S.p.A.
  - Piaggio Group Japan.

The table below summarises relations described above and financial relations with parent companies, subsidiaries and associates as of 31 December 2024 and relations during the year, as well as their overall impact on financial statement items.

AS OF 31 DECEMBER 2024	FONDAZIONE PIAGGIO	IMMSI	IMMSI AUDIT	IS MOLAS	OMNIA HOLDING	PONTECH - PONTEDERA & TECNOLOGIA	ZONGSHEN PIAGGIO FOSHAN	INTERMARI-NE	TOTAL	% OF AC-COUNTING ITEM
IN THOUSANDS OF EUROS										
Income statement										
Net revenues							2		2	0.00%
Costs for materials							14,398		14,398	1.36%
Costs for services and use of third-party assets	7	428	770	3	51		54		1,313	0.51%
Other operating income		57	36	8			226	8	335	0.19%
Other operating costs	108	1			1				110	0.50%
Results of associates - Income/(losses)						14	(1,659)		(1,645)	102.11%
Financial costs		417			25				442	0.88%
Income Taxes		345							345	N.A.
Financial statements										
Current trade receivables		10					418		428	0.59%
Other current receivables		45,155	26	8	13		654	8	45,864	52.28%
Financial liabilities for rights of use > 12 months		3,626			261				3,887	23.43%
Financial liabilities for rights of use < 12 months		1,260			219				1,479	14.75%
Current trade payables	18	168	50		6		5,048		5,290	0.93%
Other current payables	110	55,609							55,719	45.43%

47. Contractual Commitments and Guarantees Provided

Contractual commitments undertaken by the Piaggio Group are summarised below by maturity.

IN THOUSANDS OF EUROS	WITHIN 1 YEAR	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS	TOTAL
Operating leases no IFRS 16	560	362	-	922
Other commitments	40,706	25,882	1,984	68,572
Total	**41,266**	**26,244**	**1,984**	**69,494**

The main guarantees issued by credit institutions on behalf of Piaggio & C. S.p.A in favour of third parties are as follows:

TYPE	AMOUNT €/000
BCC-Fornacette guarantee issued in favour of Motoride Spa for a VAT refund following a deductible tax excess	298
Banco di Brescia guarantee issued in favour of the Municipality of Scorzè to guarantee urbanisation and construction of the Scorzè plant	166
Intesasanpaolo guarantee issued in favour of Consip S.p.A to guarantee contractual obligations for the supply of vehicles	227
Bper guarantee issued in favour of the Municipality of Pisa to guarantee contractual obligations for the proper performance of the conversion of an industrial area	5,266
Bper guarantee issued in favour of Invitalia to guarantee the request for an advance on the grant payable on the Research, Development, Cybersecurity Innovation, Connectivity Innovation, Electrification Innovation and ADAS/ARAS Innovation Project	10,224

48. Disputes

Canadian Scooter Corp. (CSC), sole distributor of Piaggio for Canada, summoned Piaggio & C. S.p.A., Piaggio Group Americas Inc. and Nacional Motor S.A to appear before the Court of Toronto (Canada) in August 2009 to obtain compensation for damages sustained due to the alleged infringement of regulations established by Canadian law on franchising (the Arthur Wishart Act). The case is currently suspended due to no action being taken by the other party. Piaggio considered the possibility of filing a petition for an "order to dismiss" the lawsuit due no action being taken by the other party, however it decided not to proceed at that time as the costs outweighed the possible benefits.

Da Lio S.p.A., with a writ of summons served on 15 April 2009, sued the Company before the Court of Pisa to obtain compensation for alleged damages suffered for various reasons as a result of the termination of the supply relationship. The Company appeared before the Court requesting the rejection of all opposing claims. Da Lio requested and obtained the joinder of the lawsuit with the one opposing the injunction issued in favour of Piaggio for the return of the moulds withheld by the supplier at the end of the relationship. The rulings were therefore joined and with an order pursuant to Article 186ter of the Italian Code of Criminal Procedure dated 7 June 2011, Piaggio was ordered to pay €109,586.60, plus interest, relative to the amounts not contested. During 2012, witness evidence was obtained, followed by a court-appointed expert's report ("CTU"), ordered at Da Lio's request, to quantify the amount of interest claimed by Da Lio and the value of materials in stock. After inviting the parties to specify the conclusions and file their final briefs, the Court of Pisa ordered Piaggio to pay a total amount of approximately € 7,600,000 and to publish the operative part of the sentence in two national newspapers and two specialised magazines. Piaggio, supported by the opinion of the lawyers appointed to defend it at the appeal stage, who highlighted the many grounds for challenging the sentence and the full foundation of the Company's reasons, appealed to the Court of Appeal of Florence, requesting the reform of the sentence, as well as the suspension of its enforceability. On 21 October 2020, the Court of Appeal of Florence partially granted the petition to suspend the enforceability of the ruling made by Piaggio, up to the amount of €2,670,210.26, rejecting it for the remainder and confirming the enforceability of the ruling for the additional amounts. The Court of Appeal ordered the exchange of the written notes containing the requests and conclusions of the Parties in lieu of the first hearing set for 9 June 2021. The case was adjourned to the subsequent hearing on 8 June 2022 for closing arguments, when the Court retained the case for decision, assigning the parties time to file their final defence briefs. On 28 November 2022, the Court of Appeal of Florence partially upheld the main (Piaggio's) and incidental (Da Lio's) grounds of appeal and, as a result, (i) reduced Piaggio's sentence to the payment of the lower amount of approximately €3 million as regards the item "default interest and penalties on invoices paid late" compared to the previous amount of approximately €4.3 million (without prejudice to the other items of sentence) (ii) declared that the sum due by Piaggio for unpaid invoices amounts to approximately €0.36 million and (iii) declared that (only) legal interest should be calculated on the sums due by Piaggio as penalties for invoices paid late, starting from the date of the court application rather than from the sentence. Piaggio appealed against the ruling before the Court of Cassation on 14 March 2023, which was followed by a counter-appeal with cross-appeal by Da Lio.

In June 2011 Elma srl, a Piaggio dealer since 1995, brought two separate proceedings against the Company, claiming the payment of approximately €2 million for alleged breach of the sole agency ensured by Piaggio for the Rome area and an additional €5 million as damages for alleged breach and abuse of economic dependence by the Company. Piaggio opposed the proceedings undertaken by Elma, fully disputing its claims and requesting a ruling for Elma to settle outstanding sums owing of approximately €966,000.
The Judge threw out all claims made by Elma, ruling it to pay Piaggio the sum of €966,787.95 plus interest on arrears, deducting the amount of €419,874.14, already received by Piaggio through enforcing the guarantee. Piaggio has paid Elma (offsetting the amount) the sum of €58,313.42 plus legal interest. On 14 January 2020, Piaggio filed a bankruptcy petition against Elma in relation to the sums to receive, while on 15 January 2020, Elma appealed against the above ruling with the Court of Appeal of Florence. In a ruling dated 28 February 2023, the Court of Appeal of Florence rejected Elma's appeal in its entirety and upheld the first instance ruling. Elma did not appeal before the Cout of Cassation.
As regards the matter, Elma has also brought a case against a former senior manager of the Company before the Court of Rome, claiming compensation for damages: Piaggio appeared in the proceedings, requesting, among other things, that the pending case be moved to the Court of Pisa. The judge admitted an accounting expert's report as requested by Elma, albeit with a much more limited scope than the application. In a ruling of 3 June 2019, the Court of Rome rejected the claim made by Elma S.r.l., also ordering it to pay the expert's fees and legal fees. Elma filed an appeal with the Rome Court of Appeal summoning Piaggio to the hearing on 15 April 2020, postponed to 31 March 2021 and again postponed to 6 April 2021. At this stage, the Court rejected the request for annulment of the expert's report carried out at first instance, formulated by Elma, deeming this decision to be strictly related to the examination of the appeal on merits, and therefore adjourned the case to the hearing of 8 October 2025 for closing arguments.

The company TAIZHOU ZHONGNENG summoned Piaggio before the Court of Turin, requesting the annulment of the Italian part of the 3D trademark registered in Italy protecting the form of the Vespa, as well as a ruling denying the offence of the counterfeiting of the 3D trademark in relation to scooter models seized by the Italian tax police at the 2013 EICMA trade show, based on the petition filed by Piaggio, in addition to compensation for damages. At the first hearing at which the parties appeared (5 February 2015), the Judge ordered an expert's report to ascertain the validity of the three-dimensional Vespa trademark and whether or not it had been infringed by the Znen scooter models, setting a hearing for the discussion of the expert's report for 3 February 2016, after which, deeming the preliminary investigation phase concluded, the hearing for closing arguments was set for 26 October 2016. In a ruling of 6 April 2017, the Court of Turin upheld in full the validity of the 3D Vespa mark of Piaggio, and the counterfeiting of said by the 'VES' scooter by Znen. The Court of Turin also recognised the protection of Vespa in accordance with copyright, confirming the creative nature and artistic value of its form, declaring that the scooter 'VES' by Znen infringes Piaggio copyright. The other party appealed against the sentence at the Appeal Court of Turin, where the first hearing took place on 24 January 2018. The case was adjourned to the hearing of 13 June 2018 for the closing arguments, after which statements and rejoinders and replications were exchanged. The Court of Appeal of Turin rejected the appeal made by Zhongneng in a ruling published on 16 April 2019. The other party appealed to the Court of Cassation, to which Piaggio filed a counter-appeal on 5 September 2019. Following the hearing, in a public session, on 17 October 2023, the Court of Cassation, in a ruling published on 29 November 2023, confirmed the protection of the copyright regarding the shape of the Vespa and, as regards the trademark, referred the decision back to the Court of Appeal of Turin.
TAIZHOU ZHONGNENG then resumed the proceedings before the Court of Appeal and Piaggio & C S.p.A. duly entered an appearance on 20 June 2024.
At the hearing on 11 July 2024, the Judge ordered a postponement until 2 October 2024 for the case to be heard formally. On this occasion, a hearing was set for 8 October 2025 for the closing arguments.

By writ served on 27 October 2014, Piaggio summoned the companies PEUGEOT MOTOCYCLES ITALIA S.p.A. ("Peugeot Italia"), MOTORKIT s.a.s. di Turcato Bruno e C., GI.PI. MOTOR di Bastianello Attilio and GMR MOTOR s.r.l. to appear before the Business Court of Milan, to obtain the withdrawal from the market of Peugeot "Metropolis" motorcycles, establishing the violation and infringement of certain European patents and ornamental models owned by Piaggio, as well as an order to pay damages for unfair competition, with the publication of the operative part of the ruling to be issued in a number of newspapers ("Case 1").
In the hearing for the first appearance of 4 March 2015, the Judge set the deadline for filing statements pursuant to Article 183.6 of the Italian Code of Civil Procedure and appointed an expert witness. At the subsequent hearing on 28 February 2018, called for closing arguments, the Judge ordered an additional expert's report and set new deadlines for the exchange of closing statements. In its ruling of 27 May 2020, the Court of Milan rejected the claims for concerning the infringement of Piaggio's patents No. EP1363794B1, EP1571016B1, IT1357114 and Community design No. 487723-0001, as well as the claim for unfair competition, ordering Piaggio to pay three quarters of the costs of the expert's report and to reimburse the defendant for the costs of the proceedings ("Ruling 1"); the Judge also ordered the separation of the proceedings on the infringement of patent No. EP1561612B1 by combining it with the case brought by PEUGEOT MOTOCYCLES SAS ("Peugeot") for a declaration of invalidity erga omnes ("Case 2").
Piaggio appealed against Judgment 1 before the Court of Appeal of Milan. The Court rejected the objection raised by the Peugeot on the grounds that the appeal was inadmissible, and set the hearing for closing arguments for 10 November 2021, adjourned to 23 March 2022, in which the deadlines for filing closing and reply statements, which were exchanged between the parties. Following the oral hearing of the case on 14 September 2022, the Court reserved judgement. In a ruling dated 18 January 2023, the Court of Appeal upheld the first instance judgment. In particular, it (i) ruled out the existence of the infringement of the three patents, deeming the objections of invalidity of EP'794, EP'016 and IT'114 raised by Peugeot to be absorbed, and (ii) rejected Piaggio's claims of infringement of the Community model and unfair competition, considering that the Court of First Instance was correct in its ruling on this point. The time limits to appeal against the ruling before the Court of Cassation have expired.

Peugeot summoned Piaggio to appear before the Court of Milan, claiming that the patent based on which Piaggio filed a claim in Case 1 for infringement would be voidable, due to a previously existing Japanese patent ('Case 2'). Piaggio appeared in court, claiming that the action taken by Peugeot could not proceed further and that the patent application referred to by Peugeot was irrelevant. At the summons hearing on 20 February 2018, the Judge set time limits for the filing of preliminary pleadings; the case was adjourned to the hearing on 22 May 2018, at the outcome of which an expert's report was ordered, with a deadline of 15 January 2019 for filing. After the technical appraisal was filed (confirming the validity of Piaggio's patent), and discussed during the hearing of 29 January 2019, the Judge requested further technical confirmations from the expert, establishing a deadline by which Peugeot must have requested additions to the appraisal. The Judge rejected Peugeot's request for clarification and considered that the case was ready for decision, adjourning the hearing to 15 December 2020 for the definition of the closing arguments of the joined cases (infringement and nullity). The Judge granted the time limits prescribed by law for the filing of closing statements, which were duly exchanged between the parties. At Peugeot's request, the Court ordered the oral hearing of the case on 24 June 2021, then held the case for decision. On 20 September 2021, the Court of Milan ruled in favour of Piaggio (i) rejecting the application to render the EP patent owned by Piaggio null, (ii) ascertaining the infringement and prohibiting, limited to the Italian territory, the production, import, export, marketing, advertising, including through the internet, of the aforesaid motorcycles; (iii) ordering Peugeot Italia to recall the motorcycles the infringement referred to from the market; (iv) fixing the penalty of €6,000 to be paid by each of the defendant parties for each Metropolis motorcycle marketed after thirty days from the notification of the ruling and of €10,000 to be paid by Peugeot Italia and Peugeot for each day's delay in implementing the order under point (iii), after ninety days from the notification of this ruling; (v) ordering Peugeot to pay Piaggio's legal fees ('Ruling 2').

Peugeot appealed against Ruling 2, appealing at the same time to suspend the provisional enforceability. The latter appeal was rejected on 6 December 2021, with confirmation of the provisional enforceability of Ruling 2.

On 16 January 2023, the Court of Appeal of Milan: (i) upheld Ruling 2 with respect to the finding of the validity of EP'612 and the existence of a literal infringement of claims 1, 2 and 5 of the patent by Metropolis (ii) upheld the measures of the injunction and withdrawal from the market ordered by the Court but, unlike the Court, limited the order of withdrawal from the market only for Peugeot Italia (iii) also rejected Peugeot's sixth ground of appeal (iv) ordered a general ruling against Peugeot Italia (v) ordered, by separate ruling, the continuation of the case to determine the amount of compensation that may be awarded. In the continuation of the case in the second instance, an expert's report was then produced, after which a hearing was held on 8 November 2023; On that occasion, the Court of Appeal granted the parties time limits for the filing of final defence briefs (9 January 2024 and 29 January 2024, respectively for closing statements and rejoinders and replications). A hearing was then set for the oral argument of the case for 24 April 2024. In the meantime, Peugeot appealed before the Court of Cassation against the non-final ruling, which was followed by Piaggio's counter-appeal. The appeal before the Court of Cassation was declared inadmissible on 17 April 2024.

In a ruling published on 31 May 2024, the Court of Appeal of Milan ruled, sentencing Peugeot Italia to pay compensation for the damages suffered by Piaggio, quantified at €872,000, plus interest and monetary revaluation, and sentencing Peugeot and Peugeot Italia to pay Piaggio's legal fees. The time limits to appeal against the ruling before the Court of Cassation (31 May 2024) have expired.

Piaggio started a legal action against Peugeot before the Tribunal de Grande Instance in Paris. As a result of the Piaggio action ('Saisie Contrefaçon'), several documents were obtained by a bailiff and tests carried out to prove the counterfeiting of the Piaggio MP3 motorcycle by the Peugeot 'Metropolis' motorcycle. The hearing took place on 8 October 2015 for the appointment of the expert, who will examine the findings of the Saisie Contrefaçon. On 3 February 2016, the hearing took place to discuss the preliminary briefs of the parties. In February 2018, a preliminary expert's appraisal was filed defining documents based on which a ruling will be made on the counterfeiting alleged by Piaggio. The hearing took place on 29 January 2019 and then on 17 October 2019. Subsequently, after the filing of respective briefs and the two hearings (17 September 2020 and 11 March 2021), the Court of Paris ruled in favour of Piaggio on 7 September 2021 ordering Peugeot to pay compensation for damages amounting to €1,500,000, in addition to further fines and legal fees, ordering a ban on Peugeot manufacturing, promoting, marketing, importing, exporting, using and/or possessing in French territory any three-wheeler scooter that uses the control system patented by Piaggio (including the Peugeot Metropolis). Piaggio appealed for the provisional enforceability of the ruling in the first instance; the Court rejected this application in a decision of 8 March 2022. At the same time, Peugeot appealed against the ruling in the first instance and Piaggio appeared in the appeal proceedings, requesting Peugeot's appeal to be rejected. Peugeot therefore requested that a new technical expert's report be ordered; the application was rejected on 10 January 2023. The Court then scheduled a hearing on 29 May 2024 for the final argument, which was then postponed to 3 September 2024. In its judgment of 16 October 2024, the Court upheld the first instance judgment and ordered Peugeot to pay more than €3 million (including damages, also moral damages, and legal fees). The ruling may be appealed against before the Court of Cassation by 4 February 2025.

ALZA ITALIA S.r.l. served a writ of summons on Piaggio, requesting the Court of Florence to order the latter to pay compensation for damages allegedly suffered as a result of the seizure of vehicles, owned by Alza Italia, in 2021; according to the plaintiff, this seizure was due to the expert's report on the counterfeiting of the vehicles requested from Piaggio by the customs authorities in the proceedings. The damages, allegedly suffered as a result of the seizure (and, indirectly, of Piaggio's expert's report, considered by the plaintiff to be incorrect), consisted of the impossibility of starting and then continuing the marketing of the seized vehicle models, for a total amount quantified, in the writ of summons, as €13,078,515.87. Piaggio duly filed an appearance, appearing in court on 3 May 2024. The first hearing was set for 10 December 2024. The Judge initiated an attempt at a settlement and adjourned the case until 28 April 2025.

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

With reference to tax disputes involving the parent company Piaggio & C. S.p.A. (hereinafter also "the Company" or "the Parent Company"), it should be noted that the dispute concerning the notices of assessment for regional production tax and corporate income tax notified to the Company on 22 December 2017, both relating to the 2012 tax period and containing findings on transfer pricing, is pending. In this regard, the Company received a favourable ruling in both the first and second instance. The State General Accounting Office appealed against the second instance decision, with the Company notified on 13 May 2024, while the Company filed a counter-appeal on 19 June 2024.

Lastly, the Company has some disputes concerning the non-application of local VAT in relation to intergroup transactions with its subsidiary Piaggio Vehicles PVT Ltd concerning royalties, with reference to the tax periods 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-2017 and 2017-2018. The total amount of the dispute for the relative tax periods, including interest is approximately €5 million, of which a part already paid to the Indian tax authorities, in compliance with local law. The Company appealed against all the claims issued by the competent authorities.

The main tax disputes of other Group companies concern Piaggio Vehicles PVT Ltd, PT Piaggio Indonesia and Piaggio Hellas S.A..

With reference to the Indian company, some disputes are ongoing concerning various years from 2000 to 2024. In particular, with regard to direct taxes, disputes mainly arise from assessments containing transfer pricing findings, while with regard to indirect taxes, the findings refer to the application of import duties and taxes on local commercial transactions. Taking into account the findings of professionals appointed for the defence, a partial provision was allocated in the financial statements, for the disputed amounts. The Indian company has already partly paid the amounts contested, as required by local laws, that will be paid back when proceedings are successfully concluded in its favour.

With reference to PT Piaggio Indonesia, the Company has certain disputes outstanding relating to the 2018, 2019, 2021, 2022 and 2023 tax periods.
In particular, the years disputed by the competent authorities mainly refer to aspects regarding the application of transfer pricing and withholding taxes on alleged payment flows.
With reference to the tax periods 2018 and 2019, the company, following a partially favourable ruling in the second instance, intends making a final appeal. The total amount currently under dispute amounts to approximately €0.3 million.
With regard to the 2021 tax year, the company appealed in the second instance, and a decision is pending. The total amount currently under dispute amounts to approximately €1 million.
With regard to the 2022 tax year, following an unfavourable ruling in the first instance, the company intends filing a second instance appeal. The dispute concerns an additional tax of approximately €0.8 million.
Finally, in relation to the 2023 tax year, a further dispute is ongoing concerning the non-recognition of duty exemption on certain imports of vehicles originating in Vietnam. The total amount currently under dispute is approximately €0.4 million. The company has lodged an appeal with the judicial authorities, which ruled against the company; the Indonesian company intends appealing this ruling in the third instance.

On 8 April 2015, Piaggio Hellas S.A. received a tax notice following a general assessment for the 2008 tax period, with findings for approximately €0.5 million, including sanctions. On 12 June 2015, the Greek company filed an appeal before the judicial authorities, which ruled against the company. As a result of the unfavourable outcome of this appeal, the company filed another appeal which, in a judgment of 27 April 2017, confirmed the outcome of the first instance judgment. The company therefore lodged an appeal. A hearing was held on 18 January 2023 and the ruling is currently pending. The disputed amount was paid in full to the Greek tax authorities; the company, on the basis of positive findings of professionals appointed for the defence, considers a positive outcome and consequent reimbursement of the sums paid likely.

49. Significant non-recurring events and operations

For the years 2024 and 2023, there were no significant non-recurring transactions, as defined by Consob Communication No. DEM/6064293 of 28 July 2006.

50. Transactions arising from atypical and/or unusual transactions

During the 2024 and 2023 financial years, the Group did not undertake any significant atypical and/or unusual operations, as defined by Consob Communications No. DEM/6037577 of 28 April 2006 and No. DEM/6064293 of 28 July 2006.

51. Subsequent events

There are no further events occurring after 31 December 2024 and up to the date of approval of these financial statements that could have a material impact on the reported results of operations and the financial position, as determined by IAS 10 paragraph 9.

52. Authorisation for publication

This document was published on 24 March 2025 with the authorisation of the Chief Executive Officer.

Milan, 4 March 2025

for the Board of Directors

Chief Executive Officer
Michele Colaninno

ATTACHMENTS

Piaggio Group companies

Companies and material investments of the Group are listed below.
The list presents the companies divided by type of control and method of consolidation.
For each company, the following information is also provided: the company name, registered office, the relevant country and the share capital in the original currency. The percentage share held by Piaggio & C. S.p.A. or other subsidiaries is also indicated. It should be noted that the percentage share of ownership corresponds to the percentage share of the voting rights exercised at Ordinary General Meetings of Shareholders.

List of companies included in the scope of consolidation on a line-by-line basis as of 31 December 2024

COMPANY NAME	REGISTERED OFFICE	COUNTRY	SHARE CAPITAL	CURRENCY	% OF THE HOLDING			% TOTAL INTEREST
					DIRECT	INDIRECT	MEANS	
Parent company:								
Piaggio & C. S.p.A.	Pontedera (Pisa)	Italy	207,613,944.37	Euros				
Subsidiaries:								
Aprilia Brasil Industria de Motociclos S.A.	Manaus	Brazil	2,020,000.00	R$		51%	Aprilia World Service Holding do Brasil Ltda	51%
Aprilia Racing S.r.l.	Pontedera (Pisa)	Italy	250,000.00	Euros	100%			100%
Aprilia World Service Holding do Brasil Ltda.	São Paulo	Brazil	2,028,780.00	R$		99.999950709%	Piaggio Group Americas Inc	99.999950709%
Foshan Piaggio Vehicles Technology Research and Development Co Ltd.	Foshan City	China	10,500,000.00	CNY		100%	Piaggio Vespa B.V.	100%
Nacional Motor S.A.	Barcelona	Spain	60,000.00	Euros	100%			100%
Piaggio Advanced Design Center Corp.	Pasadena	USA	100,000.00	USD	100%			100%
Piaggio Asia Pacific PTE Ltd.	Singapore	Singapore	100,000.00	SGD		100%	Piaggio Vespa B.V.	100%
Piaggio China Co. Ltd.	Hong Kong	China	12,500,000 auth. capital (12,166,000 subscribed and paid up)	USD	100%			100%
Piaggio Concept Store Mantova S.r.l.	Mantova	Italy	100,000.00	Euros	100%			100%
Piaggio Deutschland GmbH	Düsseldorf	Germany	250,000.00	Euros		100%	Piaggio Vespa B.V.	100%
Piaggio España S.L.U.	Alcobendas	Spain	426,642.00	Euros	100%			100%
Piaggio Fast Forward Inc.	Boston	USA	15,135.98	USD	83.91%			83.91%
Piaggio France S.A.S.	Clichy Cedex	France	250,000.00	Euros		100%	Piaggio Vespa B.V.	100%
Piaggio Group Americas Inc.	New York	USA	2,000.00	USD		100%	Piaggio Vespa B.V.	100%
Piaggio Group Japan	Tokyo	Japan	99,000,000.00	JPY		100%	Piaggio Vespa B.V.	100%
Piaggio Hellas S.A.	Athens	Greece	1,004,040.00	Euros		100%	Piaggio Vespa B.V.	100%
Piaggio Hrvatska D.o.o.	Split	Croatia	53,089.12	Euros		100%	Piaggio Vespa B.V.	100%
Piaggio Limited	Orpington	Great Britain	250,000.00	GBP	0.0004%	99.9996%	Piaggio Vespa B.V.	100%
Piaggio Vehicles Private Limited	Maharashtra	India	340,000,000.00	INR	99.9999971%	0.0000029%	Piaggio Vespa B.V.	100%
Piaggio Vespa B.V.	Breda	Holland	91,000.00	Euros	100%			100%
Piaggio Vietnam Co Ltd.	Hanoi	Vietnam	313,335,929.000	VND	63.50%	36.50%	Piaggio Vespa B.V.	100%
PT Piaggio Indonesia Industrial	Jababeka	Indonesia	283,845,000,000.00	IDR		99.82% 0.18%	PT Piaggio Indonesia Piaggio Vespa B.V.	100%
PT Piaggio Indonesia	Jakarta	Indonesia	10,254,550,000.00	IDR	29.285714286%	70.714285714%	Piaggio Vespa B.V.	100%

List of companies included in the scope of consolidation with the equity method as of 31 December 2024

					% OF THE HOLDING			
COMPANY NAME	REGISTERED OFFICE	COUNTRY	SHARE CAPITAL	CUR-RENCY	DIRECT	INDIRECT	MEANS	% TOTAL INTEREST
Zongshen Piaggio Foshan Motorcycle Co. Ltd	Foshan City	China	255,942,515.00	CNY	32.50%	12.50%	Piaggio China Co. LTD	45%

List of investments in associates as of 31 December 2024

					% OF THE HOLDING			
COMPANY NAME	REGISTERED OFFICE	COUNTRY	SHARE CAPITAL	CUR-RENCY	DIRECT	INDIRECT	MEANS	% TOTAL INTEREST
Depuradora D'Aigues de Martorelles Soc. Coop. Catalana Limitada	Barcelona	Spain	60,101.21	Euros		22%	Nacional Motor S.A.	22%
Immsi Audit S.c.a r.l.	Mantova	Italy	40,000.00	Euros	25%			25%
Pontedera & Tecnologia S.c.a r.l.	Pontedera (Pisa)	Italy	469,069.00	Euros	22.23%			22.23%
S.A.T. Societé d'Automobiles et Triporteurs S.A.	Tunis	Tunisia	210,000.00	TND		20%	Piaggio Vespa B.V.	20%

Information pursuant to Article 149-duodecies of the Consob Regulation on Issuers

The following table, prepared in accordance with Article 149 duodecies of the Consob Regulation on Issuers, shows the fees for the year 2024 for audit and non-audit services rendered by the same independent auditors and entities belonging to its network.

	SERVICE PROVIDER	RECIPIENT	FEE FOR THE FINANCIAL YEAR 2024
IN EUROS			
Auditing	Deloitte	Parent Company Piaggio & C	371,569
	Deloitte	Subsidiaries	555,521
	Other auditors	Subsidiaries	19,558
Certification services	Deloitte	Parent Company Piaggio & C	253,968
	Deloitte	Subsidiaries	47,372
Other services	Deloitte	Parent Company Piaggio & C	35,000
Total			**1,282,988**

N.B. The fees of subsidiaries operating in currencies other than the euro and agreed in local currency were translated at the average 2024 exchange rate.

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS OF LEGISLATIVE DECREE 58/98

1. The undersigned Michele Colaninno (Chief Executive Officer) and Alessandra Simonotto (Executive in charge of financial reporting) of Piaggio & C. S.p.A. hereby certify, also in consideration of article 154-bis, sections 3 and 4, of Legislative Decree no. 58 of 24 February 1998:
   - the appropriateness with regard to the company's characteristics and
   - the actual application of administrative and accounting procedures for the formation of the Consolidated Financial Statements as of 31 December 2024.

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

3. Moreover

   3.1 The Consolidated Financial Statements:

a. have been prepared in compliance with the international accounting standards endorsed by the European Community pursuant to regulation (EC) no. 1606/2002 of the European Parliament and Council of 19 July 2002;

b. correspond to accounting records;

c. give a true and fair view of the consolidated statement of financial position and results of operations of the Issuer and of all companies included in the scope of consolidation;

   3.2 The Report on Operations includes reliable analysis of the trend of operations and operating results, as well as the situation of the Issuer and companies included in the scope of consolidation, as well as a description of main risks and uncertainties to which they are exposed.

Date: 4 March 2025

Michele Colaninno
Chief Executive Officer

Alessandra Simonotto
Executive in charge of financial reporting

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Piaggio & C. S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Piaggio & C. S.p.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated income statement, and the consolidated statement of comprehensive income, consolidated statement of Shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Piaggio & C. S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Verification of capitalization criteria related to investments in development costs, industrial patent and know how	
Description of the key audit matter	The Group has accounted as of December 31, 2024 activities relating to development costs, industrial patent and know how for Euro 316.5 million; the related investments made during 2024 amounted to Euro 114.3 million and are mainly related to the study of new vehicles and new engines which constitute the leading products of the 2024 - 2026 range. In order to assess the compliance with the capitalization requirements of the International Accounting Standard "IAS 38 – Intangible assets", Management has established a procedure to verify the technical feasibility of projects, the availability of adequate financial resources to complete the products being developed and the intention and ability to complete the products to be sold. The Piaggio Group's procedure also includes the estimation of expected future cash flows from the sale of the products in order to verify the recoverability of the amounts capitalized and the subsequent monitoring of these cash flows at least once per year. Given the magnitude of the value of the related assets, considering the complexity of the related procedure and the elements of judgment required for verifying the compliance with the conditions for capitalization of the relevant amounts, we have considered the verification of the capitalization criteria relating to the items above a key audit matter. Note D 16) "intangible assets" provides information on this caption.
Audit procedures performed	In the context of our audit, we have carried out, among others, the following procedures: • understanding of the Piaggio Group's procedure for capitalizing development costs, industrial patent and know how; • understanding of the relevant controls implemented by Piaggio Group; • discussions with Management and obtaining of supporting documentation to understand the characteristics of the projects; • obtaining details of the costs capitalized by project, and analysis, on a sample basis, of the increases and decreases that occurred in the year; • verification, for a sample of projects, of compliance with the requirements outlined in "IAS 38 – Intangible assets" for capitalization of internally generated intangible assets; • analysis, for a sample of projects, of estimated future cash flows and subsequent updates by Management at least once per year.

Assessment of the recoverability of Goodwill	
Description of the key audit matter	The Piaggio Group's consolidated financial statements include Goodwill amounting to Euro 446.9 million, unchanged from the previous year.

The recoverability of Goodwill is verified by the Directors at least once annually and whenever indicators of potential impairment appear, by comparing the carrying amount with the estimated recoverable amount through an impairment test.

The Directors performed the impairment test on Goodwill by estimating the value in use in accordance with the methodology of the present value of expected cash flows to determine the recoverable amount of each cash-generating unit (CGU) identified, to which the goodwill was allocated. In this context, the Directors estimated the expected future cash flows included in a four-year period, on the basis of the budget data for the financial year 2025, supplemented by forecast data for the period 2026 - 2028 (the "Plan"), the discount rate (WACC) and the growth rate beyond the explicit forecast period (g-rate).

Based on the result of impairment test, the Directors did not identify any impairment losses.

Considering the materiality of the caption, the subjectivity and the nature of the estimates relating to the determination of the cash generating units cash flow, the key variables of impairment test, the recoverability of goodwill has been considered a key audit matter of the consolidated Financial Statement.

Note D 16) "intangible assets" provides information on goodwill.

Audit procedures performed

In the context of our audit, we carried out, among others, the following procedures, also with the involvement of experts from Deloitte network:

- understanding of the method used by Directors for the determination of the value in use of cash-generating unit (CGU), analyzing the methods and assumptions used by Management for the development of the impairment test;
- analysis of the reasonableness of the assumptions made in estimating the cash flows and the parameters used by the Directors for the impairment test. In this context we have examined industry studies and sector analyzes and examined the methods used by the Directors to estimate WACC and g-rate;
- verification of the correct determination of the carrying amount of the assets and liabilities attributed to CGU;
- verification of the sensitivity analysis carried out by the Directors with reference to the main assumptions used for carrying out the impairment test on goodwill;
- examination of the adequacy and compliance with the accounting standard of reference, of the disclosure provided by the Directors in the consolidated financial statements as of December 31, 2024.

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Assessment of the recoverability of Deferred Tax Assets	
Description of the key audit matter	Deferred tax assets recognized in the consolidated financial statements as at December 31, 2024 of Piaggio Group amount to Euro 71.4 million and are related to prior year tax losses, as well as temporary differences, mainly due to provisions on taxed funds. The parent company Piaggio & C. S.p.A. has adhered to the National Consolidation Tax Convention of the IMMSI Group, whose consolidating entity is the parent company IMMSI S.p.A.. The recoverability of deferred tax assets depends on the future results expected by Piaggio Group as well as those of all the companies that participate in the National Consolidation Tax Convention of the IMMSI Group. Consequently, the recognition and the recoverability of deferred assets requires the Directors to carry out an estimation process with the objective of forecasting the future taxable tax results of Piaggio Group which must also be confirmed by the estimates of the future taxable incomes of the companies participating in the IMMSI Group's National Consolidation Tax Convention. Given the materiality of the amounts and the complexity of the valuation process which requires significant accounting estimates, the assessment of the recoverability of deferred tax assets has been considered a key audit matter. Note D 19) "Deferred tax assets" provides information on this caption.
Audit procedures performed	In the context of our audit, we have carried out, among others, the following procedures, also with the involvement of expert from Deloitte network: • evaluation of the reasonableness of the assumptions formulated by Directors and Management in forecasting the future taxable incomes of Piaggio Group, included in the plan approved by the Board of Directors on February 26, 2025; • examination of the National Consolidation Tax Convention contract with IMMSI S.p.A.; • examination of the methods used by the Management to verify the recoverability of deferred tax assets, including information flows with the parent company IMMSI S.p.A. regarding the capacity of future taxable incomes expected at consolidated level; • to the extent deemed necessary for the audit procedures on Piaggio Group deferred tax-asset, we have also examined the work carried out by the auditor of the parent company IMMSI S.p.A. concerning the analysis of the future taxable incomes of the companies participating in the National Consolidation Tax Convention contract with IMMSI;

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- examination of the adequacy of the disclosure and its compliance with the accounting standard IAS 12.

Responsibilities of the Directors and the Management Control Committee for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Management Control Committee is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Piaggio & C. S.p.A. has appointed us on April 22, 2020 as auditors of the Company for the years from December 31, 2021 to December 31, 2029.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Management Control Committee, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

Deloitte.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of Piaggio & C. S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF – European Single Electronic Format) (hereinafter referred to as the "Delegated Regulation") to the consolidated financial statements as at December 31, 2024, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at December 31, 2024 have been prepared in XHTML format and have been marked up, in all material respects, in accordance with the provisions of the Delegated Regulation.

Due to certain technical limitations, some information contained in the explanatory notes to the consolidated financial statements, when extracted from XHTML format in an XBRL instance, may not be reproduced in the same way as the corresponding information displayed in the consolidated financial statements in XHTML format.

Opinions and statement pursuant to art. 14 paragraph 2, sub-paragraphs e), e-bis) and e-ter) of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Piaggio & C. S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structure of Piaggio Group as at December 31, 2024, including their consistency with the related consolidated financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the consolidated financial statements;

- express an opinion on compliance with the law of the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;

- make a statement about any material misstatement in the report on operations and in some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

Deloitte.

In our opinion, the report on operations and the specific information contained in the report on corporate governance and the ownership structure are consistent with the consolidated financial statements of Piaggio Group as at December 31, 2024.

In addition, in our opinion, the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and the specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

Our opinion on the compliance with the law does not extend to the section related to the consolidated corporate sustainability reporting. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

DELOITTE & TOUCHE S.p.A.

Signed by
Gianni Massini
Partner

Florence, Italy
March 24, 2025

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

PIAGGIO & C. S.P.A.

SEPARATE FINANCIAL STATEMENTS OF THE PARENT COMPANY AS OF 31 DECEMBER 2024

SEPARATE FINANCIAL STATEMENTS OF THE PARENT COMPANY AS OF 31 DECEMBER 2024

FINANCIAL STATEMENTS

The following accounting schedules are an integral part of the Parent Company's separate financial statements.

INCOME STATEMENT

		AS OF 31 DECEMBER 2024		AS OF 31 DECEMBER 2023	
		TOTAL	of which related parties	TOTAL	of which related parties
NOTES	IN THOUSANDS OF EUROS				
3	Net revenues	1,095,135	165,500	1,246,171	195,087
4	Costs for materials	680,562	151,032	779,453	151,100
5	Costs for services and use of third-party assets	215,385	58,582	226,086	56,673
6	Employee costs	170,637		175,424	
7	Depreciation and impairment costs of property, plant and equipment	26,459		27,345	
7	Amortisation and impairment costs of intangible assets	65,457		72,732	
7	Depreciation of rights of use	3,502		3,383	
8	Other operating income	162,608	51,719	151,732	57,567
9	Impairment of trade and other receivables, net	(1,020)		(723)	
10	Other operating costs	15,897	369	18,253	349
	Operating income	**78,824**		**94,504**	
11	Results of associates - Income/(losses)	38,225	38,191	50,431	50,397
12	Financial income	3,491	2,432	3,049	2,681
12	Financial costs	41,540	924	37,306	542
12	Net exchange-rate gains/(losses)	144		494	
	Profit before tax	**79,144**		**111,172**	
13	Income taxes	12,305	(1,095)	20,568	(3,760)
	Net Profit (loss) for the period	**66,839**		**90,604**	

STATEMENT OF COMPREHENSIVE INCOME

		AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023
NOTES	IN THOUSANDS OF EUROS		
	Net Profit (loss) for the period (A)	**66,839**	**90,604**
	Items that will not be reclassified in the income statement		
38	Remeasurements of defined benefit plans	(153)	(983)
38	Share of Other Comprehensive Income/(loss) of associates valued with the equity method	(524)	(787)
	Total	**(677)**	**(1,770)**
	Items that may be reclassified in the income statement		
38	Total profits (losses) on cash flow hedges	3,451	(3,501)
38	Share of Other Comprehensive Income/(loss) of associates valued with the equity method	3,002	(6,507)
	Total	**6,453**	**(10,008)**
	Other comprehensive income/(loss) (B)[99]	**5,776**	**(11,778)**
	Total comprehensive income (loss) for the period (A + B)	**72,615**	**78,826**

99 Other Profits (and losses) take account of relative tax effects

STATEMENT OF FINANCIAL POSITION

NOTES	IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024 TOTAL	of which related parties	AS OF 31 DECEMBER 2023 TOTAL	of which related parties
	ASSETS				
	Non-current assets				
14	Intangible assets	666,927		632,688	
15	Property, plant and equipment	179,467		164,681	
16	Rights of use	12,509		14,013	
31	Investments	120,797		110,009	
32	Other financial assets	364	348	365	349
21	Tax receivables	1,706		2,231	
17	Deferred tax assets	46,415		48,964	
20	Other receivables	14,719		15,515	
	Total non-current assets	**1,042,904**		**988,466**	
	Assets held for sale				
	Current assets				
19	Trade receivables	47,278	30,369	52,848	49,324
20	Other receivables	129,986	111,658	149,426	128,858
21	Tax receivables	10,191		4,767	
18	Inventories	212,516		220,901	
32	Other financial assets	21,381	21,381	22,003	22,003
33	Cash and cash equivalents	41,205		61,574	
	Total current assets	**462,557**		**511,519**	
	TOTAL ASSETS	**1,505,461**		**1,499,985**	
	SHAREHOLDERS' EQUITY AND LIABILITIES				
	Shareholders' equity				
37	Share capital	207,614		207,614	
37	Share premium reserve	7,171		7,171	
37	Legal reserve	37,237		32,707	
37	Other reserves	(39,335)		(45,788)	
37	Retained earnings (losses)	67,262		52,218	
37	Net Profit (loss) for the period	66,839		90,604	
	Total shareholders' equity	**346,788**		**344,526**	
	Non-current liabilities				
34	Financial liabilities	523,518		467,053	
34	Financial liabilities for rights of use	5,871	3,825	7,967	4,152
25	Other non-current provisions	15,062		14,269	
26	Retirement funds and employee benefits	23,074		23,534	
28	Other payables	7,856		3,174	
	Total non-current liabilities	**575,381**		**515,997**	
	Current liabilities				
34	Financial liabilities	74,094	176	95,120	281
34	Financial liabilities for rights of use	4,061	1,319	3,630	1,103
24	Trade payables	369,736	29,676	409,470	26,827
27	Tax payables	6,702		8,120	
28	Other payables	118,231	64,677	112,406	52,211
25	Current portion of other non-current provisions	10,468		10,716	
	Total current liabilities	**583,292**		**639,462**	
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1,505,461**		**1,499,985**	

CHANGES IN SHAREHOLDERS' EQUITY

Movements from 1 January 2024/31 December 2024

					TRANSACTIONS WITH SHAREHOLDERS				
IN THOUSANDS OF EUROS	AS OF 1 JANUARY 2024	PROFIT FOR THE PERIOD	OTHER COMPREHENSIVE INCOME/(LOSS)	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	ALLOCATION OF PROFITS	DISTRIBUTION OF DIVIDENDS	PURCHASE OF TREASURY SHARES	INTERIM DIVIDENDS	AS OF 31 DECEMBER 2024
NOTES				38	37	37	37	37	
Share capital	207,614								207,614
Share premium reserve	7,171								7,171
Legal reserve	32,707				4,530				37,237
Capital gain from contributions	152								152
Reserve for measurement of financial instruments	(901)		3,451	3,451					2,550
IAS transition reserve	(3,928)								(3,928)
Translation reserve	(41,111)		3,002	3,002					(38,109)
Treasury shares	(1,411)						(1,283)		(2,694)
Earnings reserve	97,924		(677)	(677)	13,443				110,690
Earnings for the period	46,309	66,839		66,839	(17,973)	(28,336)		(40,734)	26,105
TOTAL SHAREHOLDERS' EQUITY	**344,526**	**66,839**	**5,776**	**72,615**	**0**	**(28,336)**	**(1,283)**	**(40,734)**	**346,788**

Movements from 1 January 2023/31 December 2023

					TRANSACTIONS WITH SHAREHOLDERS					
IN THOUSANDS OF EUROS	AS OF 1 JANUARY 2023	PROFIT FOR THE PERIOD	OTHER COMPREHENSIVE INCOME/(LOSS)	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	ALLOCATION OF PROFITS	DISTRIBUTION OF DIVIDENDS	CANCELLATION OF TREASURY SHARES	PURCHASE OF TREASURY SHARES	INTERIM DIVIDENDS	AS OF 31 DECEMBER 2023
NOTES				38	37	37	37	37	37	
Share capital	207,614									207,614
Share premium reserve	7,171									7,171
Legal reserve	28,954				3,753					32,707
Capital gain from contributions	152									152
Reserve for measurement of financial instruments	2,600		(3,501)	(3,501)						(901)
IAS transition reserve	1,861						(5,789)			(3,928)
Translation reserve	(34,604)		(6,507)	(6,507)						(41,111)
Treasury shares	(7,688)						7,688	(1,411)		(1,411)
Earnings reserve	95,950		(1,770)	(1,770)	5,643		(1,899)			97,924
Earnings for the period	44,857	90,604		90,604	(9,396)	(35,461)			(44,295)	46,309
Total shareholders' equity	**346,867**	**90,604**	**(11,778)**	**78,826**	**0**	**(35,461)**	**0**	**(1,411)**	**(44,295)**	**344,526**

Cash Flow Statement

This statement shows the factors behind changes in cash and cash equivalents, net of short-term bank overdrafts, as required by IAS 7.

NOTES	IN THOUSANDS OF EUROS	2024 TOTAL	2023 TOTAL
	Operating activities		
	Net profit (loss) for the period	66,839	90,604
13	Income Taxes (a)	12,305	20,568
7	Depreciation of property, plant and equipment	26,459	27,105
7	Amortisation of intangible assets	65,457	72,123
7	Depreciation of rights of use	3,502	3,383
	Provisions for risks and retirement funds and employee benefits	17,389	18,766
	Impairment / (Reinstatements) (b)	(37,171)	(48,843)
	Losses/(Gains) on the disposal of property, plant and equipment	(212)	6
12	Financial income (c)	(3,491)	(3,049)
11	Dividend income	(34)	(34)
12	Financial costs (d)	41,540	37,306
	Income from public grants	(2,497)	(3,588)
	Change in working capital:		
19	(Increase)/Decrease in trade receivables (e)	4,677	11,662
20	(Increase)/Decrease in other receivables (f)	20,109	11,445
18	(Increase)/Decrease in inventories	8,385	26,526
24	Increase/(Decrease) in trade payables (g)	(39,734)	(72,948)
28	Increase/(Decrease) in other payables (h)	10,507	11,356
25	Increase/(Decrease) in provisions for risks	(8,181)	(8,241)
26	Increase/(Decrease) in retirement funds and employee benefits	(9,974)	(11,057)
	Other changes (i)	(47,295)	(39,660)
	Cash generated from operating activities	**128,580**	**143,430**
	Interest paid (l)	(35,169)	(23,474)
	Taxes paid	(13,461)	(11,671)
	Cash flow from operating activities	**79,950**	**108,285**
	Investment activities		
15	Investment in property, plant and equipment	(41,676)	(20,544)
	Proceeds from sales of property, plant and equipment	637	82
14	Investment in intangible assets	(100,111)	(93,518)
	Proceeds from sales of intangible assets	415	722
32	Investment in financial assets (m)	(3,198)	(3,028)
	Grants disbursed (m)	(17,652)	(20,519)
	Repayment of loans granted (m)	98	76
	Contributions received	10,458	610
	Interest received (n)	2,365	2,780
11	Dividends from investments (o)	86,479	93,686
	Cash flow from investment activities (B)	**(62,185)**	**(39,653)**

NOTES	IN THOUSANDS OF EUROS	2024 TOTAL	2023 TOTAL
	Financing activities		
37	Purchase of treasury shares	(1,283)	(1,411)
37	Outflow for dividends paid (p)	(69,070)	(79,755)
34	Loans received (q)	114,784	309,263
34	Outflow for repayment of loans	(77,123)	(312,955)
34	Repayment of lease liabilities (r)	(4,397)	(3,941)
	Cash flow from financing activities (C)	**(37,089)**	**(88,799)**
	Increase / (Decrease) in cash and cash equivalents	(19,324)	(20,167)
	Opening balance	**59,031**	**79,383**
	Exchange(loss)/gain in cash and cash equivalents	56	(185)
	Closing balance	**39,763**	**59,031**

INFORMATION ON RELATED PARTIES

(a) of which €/000 1,095 (income) refers to the effects arising from the tax consolidation agreement in place with the Parent Company;
(b) of which €/000 38,191 refers to the effects of the valuation of investments using the equity method;
(c) of which €/000 2,432 related to Group companies and other Related Parties;
(d) of which €/000 924 related to Group companies and other Related Parties;
(e) of which €/000 18,955 related to Group companies and other Related Parties;
(f) of which €/000 17,200 related to Group companies and other Related Parties;
(g) of which €/000 2,849 related to Group companies and other Related Parties;
(h) of which €/000 12,466 related to Group companies and other Related Parties;
(i) of which €/000 407 related to Group companies and other Related Parties;
(l) of which €/000 498 related to Group companies and other Related Parties;
(m) entirely referring to transactions/financing with subsidiaries;
(n) of which €/000 1,619 related to Group companies and other Related Parties;
(o) entirely referring to dividends cashed from Group companies;
(p) of which €/000 34,969 disbursed to the parent company IMMSI S.p.A.
(q) of which €/000 895 related to Group companies and other Related Parties;
(r) of which €/000 1,440 related to Parent Companies;


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NOTES TO THE FINANCIAL STATEMENTS

A) GENERAL ASPECTS

Piaggio & C. S.p.A. (the Company) is a joint-stock company established in Italy at the Register of Companies of Pisa. The address of the registered office is Viale Rinaldo Piaggio 25 - Pontedera (Pisa). The main activities of the company and its subsidiaries are set out in the Report on Operations of the Consolidated Financial Statements.
These financial statements are expressed in Euros (€) since this is the currency in which most of the Company's transactions take place.

Compliance with international accounting standards

The financial statements as of 31 December 2024 were prepared, as provided for by Regulation (EC) No 31, in accordance with International Accounting Standards (IFRS) in force at 31 December 2024, issued by the Interational Accounting Standard Board (IASB) and adopted pursuant to applicable Italian and European regulations pro tempore and in force and applicable.
IFRS are all international standards and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The financial statements are prepared on a historical cost basis, modified as required for the valuation of certain financial instruments, and on a going concern basis. Despite the presence of a factor of macroeconomic instability and increasing geopolitical risks, and taking into account the positive results of the impairment tests approved by the Board of Directors on 26 February 2025, the Company has assessed that there are no significant uncertainties (as defined by paragraph 25 of IAS 1) on its ability to continue as a going concern, also by virtue of the actions already identified to adapt to the changed levels of demand, as well as the Company's industrial and financial flexibility.

These financial statements are audited by Deloitte & Touche S.p.A..

1. CONTENT AND FORM OF THE FINANCIAL STATEMENTS

Form of the Financial Statements
The Company has chosen to show all changes generated by transactions with non-shareholders in two statements measuring performance for the period, the 'Income Statement' and 'Statement of Comprehensive Income', respectively. The financial statements therefore consist of the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement, and these notes.

Income Statement
The Income Statement is presented with a classification by nature. The aggregate Operating Income is presented, which includes all income and cost components, irrespective of their recurrent nature or whether they are extraneous to ordinary operations, with the exception of the components of financial operations recognised under Operating Income and Profit Before Tax. In addition, revenue and cost components arising from assets held for sale or discontinued operations, including any capital gains and losses net of the tax component, are recognised in a separate line item in the Financial Statements preceding the result.

Statement of Comprehensive Income
The Statement of Comprehensive Income is presented in accordance with the revised version of IAS 1. Components presented under 'Other Comprehensive Income(Losses)' are grouped according to whether or not they can be reclassified subsequently to profit or loss.

Statement of Financial Position
The Statement of Financial Position is presented in opposite sections with separate disclosure of Assets, Liabilities and Shareholders' Equity.
In turn, assets and liabilities are presented in the balance sheet on the basis of their classification as current and non-current.

Statement of Changes in Shareholders' Equity
The Statement of Changes in Shareholders' Equity is presented in accordance with the revised version of IAS 1.
It includes the overall profit (loss) for the year. For each item, a reconciliation between the balance at the beginning and the balance at the end of the period is presented.

Cash Flow Statement

The Cash Flow Statement is presented broken down by areas of cash flow formation. The Cash Flow Statement adopted by the Piaggio Group has been prepared by applying the indirect method. Cash and cash equivalents included in the cash flow statement comprise the balance sheet balances of this item at the reporting date. Cash flows in foreign currencies were translated at the closing spot exchange of the year. Interest paid as well as taxes paid are included in the cash flows generated by operations. Interest received and dividends received are included in the cash flows generated by investing activities. Lastly, dividends paid are included in financing activities.
The opening balance and closing balance of cash and cash equivalents are presented net of short-term bank holdings, as required by IAS No. 7.

2. SIGNIFICANT ACCOUNTING STANDARDS AND MEASUREMENT APPLIED BY THE COMPANY

The most significant accounting standards and measurement criteria adopted for the preparation of the consolidated financial statements as of 31 December 2024 are illustrated below.

2.1 Relevant accounting standards and measurement criteria

Intangible assets

A purchased and internally produced intangible asset is recognised as an asset, in accordance with IAS 38 - Intangible Assets, only if it is identifiable, controllable and is expected to generate future economic benefits and its cost can be measured reliably. Financial costs related to the acquisition, construction or production of certain assets that require a significant period of time to be ready for use or sale (qualifying assets) are capitalised together with the asset itself.
Intangible assets with a finite life are valued at purchase or production cost less accumulated amortisation and accumulated impairment losses. Amortisation is referred to the expected useful life and commences when the asset is available for use.

Goodwill

Business combinations are recognised according to the acquisition method. The consideration transferred in a business combination is determined at the date control is assumed and is equal to the fair value of the assets transferred, the liabilities incurred, and any equity instruments issued by the acquirer. The transferred consideration also includes the fair value of any assets or liabilities for contingent considerations that are contractually agreed or subject to the occurrence of future events. Costs directly attributable to the transaction are recognised in profit or loss when incurred.
At the date of acquisition of control, the shareholders' equity of investee companies is determined by assigning their fair value to the individual identifiable assets and liabilities, except where IFRS provisions establish a different valuation criterion. The difference, if any, between the consideration paid and the fair value of the net assets acquired, if positive, is recognised as 'goodwill', under assets; if negative, the difference is recognised in profit or loss.
In the event that control is not assumed on a full basis, the portion of shareholders' equity of non-controlling interests is determined on the basis of the present values attributed to the assets and liabilities at the date control is assumed or at fair value.
In the case of taking control in stages, the acquisition cost is determined by adding the fair value of the previously held equity interest in the acquiree and the amount paid for the additional equity interest share. The difference between the fair value of the previously held equity investment and its carrying amount is recognised in profit o loss. In addition, upon assumption of control, any amounts previously recognised in other comprehensive income are recognised in profit or loss or in another shareholders' equity item, if no reversal to the income statement is envisaged.
Goodwill cannot be amortised, but is tested for impairment annually or frequently, if specific events take place or changed circumstances indicate that the asset may have been affected by impairment, to identify impairment as provided for by IAS 36 - Impairment of Assets..
After initial recognition, goodwill is measured at cost less any impairment losses.
Upon the disposal of a part or all of a business previously acquired and from the acquisition of which goodwill arose, the corresponding residual value of the goodwill is taken into account in determining the gain or loss on disposal.

Development costs

Development costs concerning projects for the production of vehicles and engines are capitalised only if all of the following conditions of IAS 38 are met: costs may be reliably determined and the technical feasibility of the product, volumes and expected prices indicate that the costs incurred in the development phase will generate future economic benefits. Capitalised development costs include only those expenses incurred that may be directly attributed to the development process.
Capitalised development costs are amortised on a systematic basis, starting from the beginning of production over the estimated life of the product.
All other development costs are recognised in profit or loss when incurred.

Other intangible assets

Other purchased or internally generated intangible assets are recognised as assets, in accordance with IAS 38 - Intangible Assets, when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be measured reliably.
These assets are measured at purchase or production cost and amortised on a straight-line basis over their estimated useful life, if they have a finite useful life.
Other intangible assets, recognised following the acquisition of a business, are recognised separately from goodwill if their present value can be reliably determined.
The amortisation period for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. If the expected useful life of the asset turns out to be different from the estimates previously made, the amortisation period is adjusted accordingly.

The amortisation periods for the various items of Intangible Assets are summarised below:

Development costs[100]	3-5 years
Industrial patent and intellectual property rights	3-5 years
Goodwill	Not amortised
Trademarks[101]	20 years
Licences	10 years
Environmental Certificates	Not amortised

Other intangible assets also include environmental certificates.

Environmental Certificates

The Pontedera plant in Italy falls within the scope of the 'Emission Trading' Directive (Directive 2003/87/EC), which provides for the allocation of a quantity of emission permits generally lower than the emissions recorded in the reference year, with the need for the Company to purchase on the emissions market the necessary quotas for the compliance.
For the purpose of recognising the expenses arising from regulatory obligations relating to ETS certificates, the Company applies the so-called 'net liability approach'.
This accounting treatment requires the certificates obtained free of charge by the Authority to be recorded at nominal value under intangible assets (nil).
In addition, expenses for the purchase, against payment, of certificates required to meet the obligation of the reporting period, i.e. purchased in excess of the amount required to meet regulatory obligations, are capitalised and recognised as intangible assets.
These intangible assets:
- are classified as assets with an indefinite useful life and are not subject to amortisation;
- after initial registration are kept at cost;
- are reversed to Profit and Loss in the relevant period as part of sundry operating expenses, with the necessary quantification to comply with regulations for the reporting period.

Any provision for the estimated expenses to be incurred for the purchase, against payment, of certificates required to meet the obligation of the reporting period, will generate a cost to be recognised in the period when it is accrued, under sundry operating expenses, with a contra-entry in the provision for risks.
If the cost of the certificates to be redelivered to the Authority differs from the estimate made at the end of the reporting period, any difference, if negative (higher cost), is recognised in profit or loss under sundry operating expenses, as a contingent liability in the year when the recognition was made. In the case of a positive difference (lower cost), the differential will generate a contingent asset.

100 Average amortisation period.
101 Average amortisation period (excluding the Guzzi and Aprilia brands, which have been classified as intangible assets with an indefinite useful life since 2021).

Property, plant and equipment

Property, plant and equipment are recognised at purchase or production cost and are not revalued. Financial costs related to the acquisition, construction or production of certain assets that require a significant period of time to be ready for use or sale (qualifying assets) are capitalised together with the asset itself.
Costs incurred after purchase are capitalised only if they increase the future economic benefits inherent in the asset they refer to. All other costs are recognised in profit or loss when incurred. Property, plant and equipment under construction are recognised at cost and depreciated from the year when they go into operation.
Depreciation is determined, on a straight line basis, on the cost of the assets net of their relative residual values, based on their estimated useful life.

The depreciation periods for the various items of property, plant and equipment are summarised below:

Land	Not depreciation
Buildings	33 years
Plant and machinery	5 to 15 years
Equipment	4 to 5 years
Other assets	5 to 10 years

Profits and losses arising from the sale or disposal of assets are measured as the difference between the sale revenue and net carrying amount of the asset and are recognised in profit or loss for the period.

Lease Agreements

Property, plant and equipment leases entered into as lessee require the recognition of an asset representing the right of use of the leased asset and the financial liability for the obligation to make payments under the lease agreement. In particular, the lease liability is initially recognised as equal to the present value of future payments to be made by adopting a discount rate equal to the lease's implicit interest rate or, if this cannot be easily determined, by using the lessee's incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost using the effective interest rate and is remeasured following contractual renegotiations, changes in rates, and changes in the valuation of any contractual options.
If the contract provides for a renewal option in favour of the lessee, the Company also includes the rentals for the renewal period if it is considered highly probable in the calculation of the right of use.
The right of use is initially recorded at cost and then adjusted to take into account recognised depreciation charges, any impairment losses and effects related to any redetermination of lease liabilities.
The right of use is systematically amortised at the lower of the contracted usage and the remaining useful life of the underlying asset.
The Company has decided to adopt certain simplifications, provided for by the Standard, excluding from treatment contracts with a duration of 12 months or less (so-called 'short-term', calculated on the residual duration at the time of first adoption) and those with a value of less than €5,000 (so-called 'low-value').

Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, associates and joint ventures are included in the financial statements using the equity method, as permitted by IAS 27 and in accordance with IAS 28 (Investments in Associates and Joint Ventures).
Subsidiaries, associates and joint ventures are included in the financial statements from the date on which control, significant influence or joint control commences and until such time as this situation ceases to exist.
The financial statements of subsidiaries, associates and joint ventures are amended and reclassified, where necessary, to bring them into line with international accounting standards and uniform classification criteria within the Group.
Under the equity method, an investment in a subsidiary, associate or joint venture is initially recognised at cost and the carrying amount is increased or decreased to recognise the entity's share of the investee's profits or losses realised after the acquisition date. The entity's share of the investee company's profit (loss) for the year is recognised in the separate income statement. Dividends received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount of the investment are also due to changes in the line items of the statement of other comprehensive income of the investee (e.g. changes resulting from translation differences of foreign currency items). The entity's share of these changes is recognised in other comprehensive income. If an entity's share of losses in a subsidiary, associate or joint venture equals or exceeds its interest in the subsidiary, associate or joint venture, the entity discontinues recognising its share of further losses. After the investment is written off, further losses are accrued and recognised as a liability only to the extent that the entity has incurred legal or implicit obligations or has made payments on behalf of the subsidiary, associate or joint venture. If the subsidiary, associate or joint venture subsequently realises profits, the entity resumes recognising its share of the profits only after it has matched its share of unrecognised losses. Gains and losses arising from 'upward' and 'downward' transactions between the entity and a subsidiary, associate or joint venture are recognised in the consolidated financial statements only to the extent of the minority interest in the subsidiary, associate or joint venture. The entity's share of the profits and losses of the subsidiary, associate or

joint venture resulting from these transactions is eliminated in the income statement line item ''income/loss from investments' with the value of the asset, in 'upward' transactions, and the value of the investment, in 'downward' transactions, being offset.
If there is objective evidence of impairment, the investment is subjected to impairment testing, as described in the section 'Impairment' to which reference is made for further details.
Finally, it should be noted that separate financial statements are prepared in the currency of the primary economic environment in which the subsidiary, associate or joint venture operates (functional currency). For the purposes of applying the equity method, the financial statements of each foreign entity are stated in Euro, which is the functional currency of Piaggio & C. SpA and the presentation currency of the separate financial statements.
All assets and liabilities of foreign companies in currencies other than the euro are translated using the exchange rates prevailing at the reporting date (current exchange rate method). Income and expenses are translated at the average exchange rate for the year. Exchange differences resulting from the application of this method, as well as translation exchange differences resulting from the comparison between the initial shareholders' equity translated at current exchange rates and the translated at historical exchange rates, are recognised in the statement of comprehensive income and are allocated to a specific reserve of shareholders' equity until disposal of the investment.
The exchange rates used to translate the financial statements of subsidiaries, associates and joint ventures into euro are shown in the appropriate table.

CURRENCY	SPOT EXCHANGE RATE AS OF 31 DECEMBER 2024	AVERAGE EXCHANGE RATE 2024	SPOT EXCHANGE RATE AS OF 31 DECEMBER 2023	AVERAGE EXCHANGE RATE 2023
US Dollar	1.0389	1.08238	1.1050	1.08127
Pounds Sterling	0.82918	0.84662	0.86905	0.869787
Indian Rupee	88.9335	90.55625	91.9045	89.30011
Singapore Dollar	1.4164	1.44581	1.4591	1.45232
Chinese Yuan	7.5833	7.78747	7.8509	7.66002
Japanese Yen	163.06	163.85191	156.33	151.99027
Vietnamese Dong	26,478.00	27,113.48828	26,808.00	25,770.68627
Indonesian Rupiah	16,820.88	17,157.67738	17,079.71	16,479.61561
Brazilian Real	6.4253	5.82828	5.3618	5.40101

Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amount of its property, plant and equipment, intangible assets, rights of use and investments to determine whether there is any indication that these assets are impaired (impairment testing). Where these indications exist, the recoverable amount of these assets is estimated to determine the amount of the impairment loss. Where it is not possible to estimate the recoverable amount of an asset individually, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.
The recoverable amount is the higher of the net sales price and the value in use. In measuring the value in use, estimated future cash flows are discounted to their present value, using a rate net of taxes that reflects current market assessments of the present value of money and the risks specific to the asset.
If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to the lower recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the asset refers to land or buildings other than investment property recognised at revalued amounts, in which case the loss is recognised in the respective revaluation reserve.
When an impairment loss no longer exists, the carrying amount of the asset (or cash-generating unit), except for goodwill, is increased to the new value resulting from an estimate of its recoverable amount, but not beyond the net carrying amount that the asset would have had if the impairment loss had not been recognised. The reversal of the impairment loss is immediately recognised in profit or loss.
An intangible asset with an indefinite useful life is tested for impairment annually, or more frequently whenever there is an indication that the asset may be impaired.

Transactions with affiliates and related parties

Transactions with affiliates and related parties are presented in the specific section of the Notes, to which reference is made.

Financial assets

IFRS 9 provides a single approach for the analysis and classification of all financial assets, including those containing embedded derivatives. The classification and related measurement are performed considering both the management model of the financial asset and the contractual characteristics of the cash flows obtainable from the asset. Depending on the characteristics of the instrument and

the business model adopted for its management, the following three categories can be identified:
(i) financial assets measured at amortised cost; (ii) financial assets measured at fair value through other comprehensive income (hereinafter also referred to as OCI); (iii) financial assets measured at fair value through profit or loss.
A financial asset is measured using the amortised cost method when both of the following conditions are met:
- the financial asset management model consists of holding the financial asset for the sole purpose of collecting the related cash flows; and
- the financial asset generates, at contractually pre-determined dates, cash flows representing solely the return on the financial asset.

According to the amortised cost method, the initial recognition value is subsequently adjusted for principal repayments, any write-downs and the amortisation of the difference between the repayment value and the initial recognition value.
Amortisation is performed on the basis of the effective internal interest rate, which represents the rate that makes the present value of expected cash flows and the initial recognition value equal at the time of initial recognition.
Receivables and other financial assets measured at amortised cost are presented in the balance sheet net of the related provision for write-down.
Financial assets representing debt instruments whose business model envisages both the possibility of collecting contractual cash flows and the possibility of realising capital gains on disposal (the so-called hold-to-collect and sell business model), are measured at fair value with the effects recognised in OCI.
In this case, changes in the fair value of the instrument are recognised in shareholders' equity, under other comprehensive income. The cumulative amount of changes in fair value, which is recognised in the shareholders' equity reserve, which comprises other comprehensive income, is reversed to profit or loss upon derecognition of the instrument. Interest income calculated using the effective interest rate, exchange rate differences and write-downs are recognised in profit or loss.
A financial asset representing a debt instrument that is not measured at amortised cost or at FVTOCI is measured at fair value with the effects recognised in profit or loss.

Inventories

Inventories, in accordance with IAS 2, are carried at the lower of purchase or production cost, determined by allocating to products the costs directly incurred, plus the portion of indirect costs reasonably attributable to the performance of production activities under normal production capacity use, and market value at the end of the reporting period.
The purchase or production cost is determined according to the weighted average cost method.
The market value is represented, in the case of commodities and work in progress, by the presumed net realisable value of the corresponding finished products minus completion costs; in the case of finished products, the market value is represented by the presumed net realisable value (sales price lists minus sales and distribution costs).
The lower measurement based on market trends is eliminated in subsequent years, if the reasons no longer exist.
Obsolete, slow moving and/or excess inventories are impaired in relation to their possible use or future realisation, in a provision for the write-down of inventories.

Receivables

IFRS 9 defines a new impairment/write-down model for these assets, with the aim of providing useful information to financial statement users about the related expected losses. According to this model, the Company assesses credit by adopting an expected loss logic, replacing the IAS 39 framework typically based on the measurement of incurred losses, together with the degree of solvency of individual debtors, also based on the specific characteristics of the underlying credit risk, taking into account available information. For trade receivables, the Company adopts a simplified approach to the measurement, which does not require the recognition of periodic changes in credit risk, but rather the recognition of an Expected Credit Loss ("ECL") calculated over the entire lifetime of the receivable (lifetime ECL). In particular, the policy implemented by the Company classifies trade receivables into categories on the basis of days past due, defining the allocation according to past experience of bad debts, adjusted to take into account specific forecast factors related to creditors and the economic environment.
Trade receivables are fully written down in the absence of a reasonable expectation of recovery, i.e. in the presence of inactive trade counterparties.
The carrying amount of the asset is reduced through the use of a provision for write-downs and the amount of the loss is recognised in profit or loss. When payment of amounts due exceeds standard terms of payment granted to clients, the receivable is discounted.

Factoring

The Company sells a significant portion of its trade receivables through factoring transactions and in particular non-recourse factoring. Following these transactions, which provide for the almost total and unconditional transfer to the assignee of the risks and rewards relating to the assigned receivables, the receivables are eliminate from the financial statements.
In the case of assignment where no risks and rewards are transferred, the related receivables are retained in the statement of financial position until the assigned debtor is paid. In this case, any advances collected by the factor are recognised under amounts due to other lenders.

Cash and cash equivalents

This item includes cash on hand, current bank accounts, deposits payable on demand and other high liquidity short term financial investments, which are readily convertible into cash and not affected by any major risk of a change in value. It does not include bank overdrafts repayable on demand.

Treasury shares

Treasury shares are recognised as a reduction of shareholders' equity. The original cost of treasury shares and revenues arising from subsequent sales are recognised as movements of shareholders' equity.

Financial liabilities

Financial liabilities include financial payables, including amounts payable for advances on the sale of receivables, as well as other financial liabilities, including financial derivatives and liabilities for assets recognised regarding finance lease agreements. Pursuant to IFRS 9, they also include trade and other payables.
Financial liabilities are recognised at fair value less transaction costs. After initial recognition, loans are recognised at amortised cost, calculated by applying the effective interest rate. With the introduction of IFRS 9, in the case of a renegotiation of a financial liability that does not qualify as an 'extinguishment of the original debt', the difference between i) the carrying amount of the liability prior to modification and ii) the present value of the cash flows of the modified debt, discounted at the original rate (IRR), is recognised in profit or loss.
Financial liabilities hedged by derivative instruments are measured at fair value, in accordance with hedge accounting: gains and losses from subsequent mark-valuations at present value are recognised in profit or loss and are offset by the effective portion of the loss and gain from present value valuations of the hedging instrument. Upon initial recognition, a liability may be designated at fair value through profit or loss when such designation eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'accounting asymmetry') that would otherwise result from measuring assets or liabilities or recognising the related gains and losses on different bases. This choice of designation at fair value is exclusively applied to certain financial liabilities in currencies hedged against exchange rate risk.

Derivative instruments and hedge accounting

The Company's activities are primarily exposed to financial risks from changes in exchange rates and interest rates. The Company uses derivative instruments to hedge risks arising from changes in foreign currencies and interest rates in certain firm commitments and planned future transactions. The use of such instruments is regulated by written procedures on the use of derivatives consistent with the Company's risk management policies.
In line with IFRS 9, derivative instruments are initially recognised at fair value, represented by the initial consideration, and adjusted to the fair value at subsequent closing dates. Derivative financial instruments are used solely for the purpose of hedging, in order to reduce exchange rate, interest rate and market price risks. Derivative financial instruments may be accounted for in accordance withhedge accounting only when, at the inception of the hedge, there is a formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, the effectiveness can be reliably measured, and the hedge is highly effective during the various accounting periods for which it is designated. When financial instruments qualify for hedge accounting, the following accounting treatments apply:

- Fair value hedges: If a derivative financial instrument is designated as a hedge of the exposure to changes in the fair value of a recognised asset or liability attributable to a particular risk that may affect profit or loss, the gain or loss arising from subsequent changes in the fair value of the hedging instrument is recognised in profit or loss. The gain or loss on the hedged item attributable to the hedged risk changes the carrying amount of that item and is recognised in profit or loss.
- Cash flow hedges: if an instrument is designated as a hedge of the exposure to variability in cash flows of a recognised asset or liability or a highly probable transaction that could affect profit or loss, the effective portion of any gains or losses on the financial instrument is recognised in other comprehensive income. The cumulative gain or loss is removed from the Statement of Comprehensive Income and recognised in profit or loss in the same period in which the hedged transaction is recognised. The gain or loss associated with a hedge, or that part of a hedge that has become ineffective, is recognised immediately in profit or loss. If a

hedging instrument or hedge relationship is terminated, but the hedged transaction has not yet been realised, the cumulative gains and losses, which had been recognised in Shareholders' equity up to that time, are recognised in profit or loss when the related transaction is realised. If the hedged transaction is no longer considered probable, the unrealised gains or losses suspended in the Statement of Comprehensive Income are recognised immediately in profit or loss.

If hedge accounting cannot be applied, gains or losses arising from the fair value measurement of the financial derivative are recognised immediately in profit or loss.

Non current provisions

The Company recognises provisions, pursuant to IAS 37, for risks and charges when it has a legal or implicit obligation to third parties and it is likely that Company resources will have to be used to meet the obligation and when the amount of the obligation itself can be reliably estimated.

Changes in estimates are reflected in the income statement for the period in which the change occurred.

If the effect is considerable, provisions are calculated discounting future cash flows estimated at a discount rate gross of taxes, to reflect current market changes in the fair value of money and specifics risks of the liability.

The provision for warranties is made when the vehicle is sold, based on the estimated present value of the expected cost of fulfilling the contractual obligations during the warranty period. Estimates are mainly based on historical defect statistics and the Company's experience with the cost of spare parts and services to be incurred in maintenance activities.

Retirement funds and employee benefits

In accordance with IAS 19, the liability relating to benefits recognised to employees and paid on or after termination of employment for defined benefit plans is determined, separately for each plan, on the basis of actuarial assumptions by estimating the amount of future benefits that employees have accrued at the reporting date (the 'projected unit credit method'). The liability, recognised in the financial statements net of any plan assets, is recognised on an accrual basis over the vesting period. The liability is valued by independent actuaries.

The components of the defined benefit cost are recognised as follows:

- service costs are recognised in profit or loss under Employee costs;
- net financial costs of liabilities or assets with defined benefits are recognised in profit or loss as financial income/(financial costs), and are determined by multiplying the value of the net liability/(asset) by the rate used to discount the obligations, taking account of the payment of contributions and benefits during the period;
- the remeasurement components of net liabilities, which include actuarial gain and losses, the return on assets (excluding interest income recognised in profit or loss) and any change in the limit of the assets, are immediately recognised as 'Other comprehensive income (expense)'. These components must not be reclassified in profit or loss in a subsequent period.

Termination benefits

Termination benefits are recognised at the earliest of the following dates: i) when the Company can no longer withdraw the offer of such benefits and ii) when the Company recognises the costs of a restructuring.

Tax assets and tax liabilities

Deferred taxes are determined, in accordance with IAS 12, on the basis of temporary taxable differences between the value of assets and liabilities and their value for tax purposes. Deferred tax assets are recognised only to the extent that it is probable that there will be adequate future taxable income against which these assets can be used. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow for all or part of these assets to be recovered.

Deferred taxes are determined on the basis of the tax rates that are expected to be applied in the period in which these deferrals are realised, taking into account the rates in force or those known to be subsequently adopted. Deferred taxes are recognised directly in profit or loss, except for those taxes related to items recognised directly in the statement of comprehensive income, in which case the related deferred taxes are also recognised in the statement of comprehensive income.

Deferred tax assets and liabilities are recognised at their net value when applied by the tax authorities and when they may be lawfully offset in the same tax jurisdiction.

Payables

Payables are recognised at fair value and then measured based on the amortised cost method.

Reverse factoring (Indirect factoring)

To ensure easy access to credit for its suppliers, the company has set up factoring agreements, which are mainly supply chain financing or reverse factoring agreements. On the basis of existing contractual formats, the supplier has the option of assigning, at its own discretion, the receivables due from the Company to a bank, and of collecting the amount before maturity.
In some cases, payment terms are extended further in agreements between the supplier and the Company; these extended terms may be interest or non-interest bearing.
To assess the nature of these reverse factoring transactions, the company has adopted a specific policy. As regards the characteristics of the agreements, which are differentiated on the basis of the territory of origin, the Finance Unit performs a qualitative analysis, at central level, on the agreement clauses, and a legal analysis aimed at assessing the regulatory references and nature of the transaction's assignment (in accordance with IFRS 9 B3.3.1). Moreover, in some cases, since there are extended payment terms, a quantitative analysis is performed to verify the substantiality or otherwise of the change in the contractual terms, by preparing the quantitative test in accordance with IFRS 9 B3.3.6.
According to IAS 1 paragraph 54, trade and other payables must be shown separately from financial payables.
In this context, relations, for which a primary obligation with the supplier is maintained and any deferment, if granted, does not significantly change payment terms, are still classified as trade liabilities.

Revenue recognition

Based on the five-step model introduced by IFRS 15, the Company measures revenues after identifying the contracts with its customers and relative performance to provide (transfer of goods and/or services), after determining the transaction price it considers due in exchange for performance, and evaluating the procedure for satisfying the performance (performance at a given time versus performance over time).
In particular, the Company recognises revenue only if the following requirements are met (so-called 'contract' identification requirements with the customer):

a. the parties to the contract have approved the contract (in writing, orally or in accordance with other customary commercial practices) and have undertaken to perform their respective obligations; thus an agreement exists between the parties that creates enforceable rights and obligations regardless of the form in which that agreement is manifested;
b. the Company may identify the rights of each party with respect to the goods or services to be transferred;
c. the Company may determine the terms of payment for the goods or services to be transferred;
d. the contract has commercial substance; and
e. it is probable that the Company will receive the consideration to which it is entitled in exchange for the goods or services to be transferred to the customer.

If the above requirements are not met, the relevant revenues are recognised when: (i) the Company has already transferred control of the goods and/or rendered services to the customer and all, or substantially all, of the consideration promised by the customer has been received and is non-refundable; or (ii) the contract has been terminated and the consideration received by the Company from the customer is non-refundable.
If the above requirements are met, the Company applies the recognition rules described below.
Revenues from the sale of vehicles and spare parts is recognised when control of the asset being transacted is transferred to the purchaser, i.e. when the customer acquires full capacity to decide on the use of the asset as well as to derive substantially all the benefits from it. Revenues are stated net of discounts, including, but not limited to, sales incentive programmes and customer bonuses, as well as taxes directly related to the sale of goods.
Revenues from services are recognised when rendered.
Revenues also include rents recognised on a straight-line basis over the term of the contract.

Grants

Grants for 'plant and equipment' are recorded in the balance sheet when their receipt is certain and are charged to the profit and loss account according to the useful life of the asset against which they are paid.
Operating grants are recorded in the balance sheet when the right to collect them is certain and are charged to the income statement in relation to the costs against which they are paid.

Recognition of costs

The Company has chosen to adopt a scheme based on the classification of costs and expenses by nature.

Financial income

Financial income is recognised on an accrual basis. This item includes interest income on invested funds, exchange rate gains and income from financial instruments, when not offset as part of hedging transactions. Interest income is recognised in profit or loss as it accrues, taking into account the effective yield.

Financial costs

Financial costs are recognised on an accrual basis. The item includes interest expense on financial liabilities calculated using the effective interest rate method, exchange rate losses and losses on derivative financial instruments. The interest expense portion of finance lease payments is recognised in profit or loss, using the effective interest rate method.

Dividends

Dividends are on an accrual basis, and therefore at the time when, following the resolution to distribute dividends by the subsidiary, the relative right to payment arises. In accordance with IAS 27 Revised 'Separate Financial Statements', dividends distributed by subsidiaries, associates and joint ventures are recognised as a reduction of the value of the investment.

Income tax

Taxes represent the sum of current and deferred taxes.
Taxes allocated based on the estimated taxable income determined in accordance with national laws in force at the end of the reporting period, taking into account applicable exemptions and tax receivables due, are recognised in the financial statements. Income taxes are recognised in the income statement, except for income taxes relating to items directly debited or credited to equity, in which case the tax effect is recognised directly in shareholders' equity.
Taxes are recognised in the item 'Tax payables' net of advances and withholding taxes.
As from 2007, the company has been party to the National Consolidated Tax Convention pursuant to Articles 117 to 129 of the Consolidated Income Tax Act (T.U.I.R.) of which IMMSI S.p.A. is the consolidating company, and to whom other IMMSI Group companies report. Acceptance of the convention was renewed with effect from 2022, and will last for three years, until the tax period ending 31.12.2024.
Under the procedure, the consolidating company determines a single tax base for companies participating in the National Consolidated Tax Convention, thus being able to offset taxable income with tax losses in a single tax return. Each company participating in the Convention transfers its taxable income (taxable income or tax loss) to the consolidating company. The latter recognises a receivable from the consolidated company equal to the IRES (corporate income tax) payable. Conversely, with respect to companies contributing tax losses, the consolidating company recognises a liability equal to the IRES on the portion of the loss actually offset at Group level.

Use of estimates

The preparation of the financial statements and relative notes, in accordance with IFRS, requires Management to make estimates and assumptions that have an impact on the amounts of assets and liabilities in the financial statements and on the disclosure concerning potential assets and liabilities at the reporting date. Actual results may differ from these estimates. Estimates are used to assess intangible assets subject to impairment testing (see § Impairment losses), as well as to recognise provisions for bad debts, inventory obsolescence, amortisation, asset write-downs, employee benefits, taxes, restructuring provisions, other provisions and reserves. Estimates and assumptions are reviewed periodically and the effects of any changes are reflected immediately in profit or loss.
It should be noted that in the current climate of global economic and financial instability, the assumptions made about future trends are characterised by significant uncertainty. Therefore, it cannot be ruled out that results in the next financial year will be different from those estimated, which may require adjustments, even significant, that cannot be foreseen or estimated at present.
The critical measurement processes and key assumptions used by the Group in adopting IFRS and that may have a significant impact on figures in the Financial Statements or for which a risk exists that significant differences in value may arise in relation to the carrying amount of assets and liabilities in the future are summarised below.

Recoverable value of non-current assets

Non-current assets include Property, Plant and Equipment, Goodwill, Other Intangible Assets, Investments and Other Financial Assets. The Group periodically reviews the carrying amount of non-current assets held and used and assets to be disposed of, when facts and circumstances require such a review. For Goodwill, this analysis is carried out at least once a year and whenever required by facts and circumstances. The analysis of the recoverability of the carrying amount of Goodwill is generally performed using estimates of the expected cash flows from the use or sale of the asset and appropriate discount rates to calculate the present value. When the carrying amount of a non-current asset is impaired, the Company recognises an impairment loss equal to the excess of the carrying amount of the asset over its recoverable amount through use or sale of the asset, determined by referring to the cash flows inherent in the most recent business plans. The procedure for determining the impairment of property, plant and equipment, intangible assets, including Goodwill, and rights of use described in the section 'Impairment of Non-Financial Assets' implies the use of certain assumptions in estimating value in use: i) the cash flow forecast for a four-year time horizon derived from budget data for the financial year 2025 supplemented by forecast data for the period 2026 - 2028; ii) the determination of an appropriate discount rate (WACC) and iii) the

determination of a long-term growth rate (g-rate). In addition to the above, Piaggio is assessing the risks and opportunities related to climate change, and in 2023 presented a Decarbonisation Plan with a time horizon of 2030, which sets out the actions to be pursued in order to achieve the objectives set in terms of reducing Scope 1 and Scope 2 emissions, mainly by making company processes more efficient and by supplying energy from renewable sources, as well as by installing new photovoltaic systems for the production and self-supply of electricity.
From this perspective, it should be noted that the Company carried out a climate risk analysis for the Pontedera (Italy) plants in 2024, with the support of a leading consulting firm. This analysis did not reveal any critical issues related to climatic factors.
Potential impacts related to the physical risks associated with climate change are managed by the Company through the continuous renovation of facilities, as well as by taking out specific insurance coverage for the various sites, based on their relative importance.
For more information, please refer to the specific paragraph in Note 14 Intangible Assets below.

Recoverability of deferred tax assets
The Company has deferred tax assets on deductible temporary differences and theoretical tax benefits for losses that may be carried forward. In determining the estimated recoverable amount, the Company took into account the results of the business plan consistent with those used for impairment testing purposes. The net deferred tax assets thus recognised refer to temporary differences and tax losses that, to a significant extent, may be recovered over an indefinite period of time that goes beyond the time horizon implicit in the aforementioned forecasts, given the uncertain macroeconomic environment. In should be noted that as the Company is part of the National Consolidated Tax Convention of the IMMSI Group, therefore the recoverability of deferred tax assets is related not only to the company's forecast results, but also to the taxable income of the companies included in the aforesaid Convention.

Pension plans and other post-employment benefits
Provisions for employee benefits and net financial borrowing costs are measured using an actuarial method that requires the use of estimates and assumptions to determine the net value of the obligation. The actuarial methodology considers parameters of a financial nature, such as, for example, the discount rate and growth rates of salaries, and considers the probability of occurrence of potential future events through the use of parameters of a demographic nature, such as, for example, mortality rates and employee resignation or retirement.
The assumptions used for the measurement are explained in section 26 'Retirement funds and employee benefits'.

Provision for bad debts
The provision for bad debts reflects management's estimate of the expected losses related to receivables. The Company adopts the simplified approach of IFRS 9 and recognises expected losses for all trade receivables based on the residual duration, defining the allocation based on the historical experience of credit losses, adjusted to take into account specific forecasts referred to creditors and the economic environment (Expected Credit Loss – ECL concept).

Provision for obsolete inventories
The provision for obsolete inventories reflects management's estimate of the Company's expected impairment losses, determined on the basis of past experience. Abnormal market price trends could be reflected in future inventory write-downs.

Provision for product warranties
At the time the product is sold, the Company sets aside provisions for estimated product warranty costs. The estimate of this fund is calculated on the basis of historical information on the nature, frequency and average cost of work under warranty.

Contingent liabilities
The Company recognises a liability for ongoing litigation and lawsuits when it believes it is probable that a financial outlay will be incurred and when the amount of resulting losses can be reasonably estimated. If a financial outlay becomes possible but its amount cannot be determined, this fact is disclosed in the notes to the financial statements. The Company is subject to legal and tax proceedings involving complex and difficult legal issues, which are subject to varying degrees of uncertainty, including the facts and circumstances surrounding each case, jurisdiction and different applicable laws. Due to the uncertainties surrounding these issues, it is difficult to predict with certainty the outlay that will result from such litigation, and it is therefore possible that the value of the Company's provisions for legal proceedings and litigation may change as a result of future developments in ongoing proceedings.
The Company monitors the status of pending cases and consults with its legal and tax advisors.

Depreciation
The cost of fixed assets is depreciated on a straight-line basis over their estimated useful lives. The economic useful life of the Company's fixed assets is determined by the Directors at the time of purchase; it is based on the historical experience gained over the years and knowledge of any technological innovations that may render the asset obsolete and no longer economically viable.
The Company periodically evaluates technological and industry changes to update the remaining useful life. This periodic update could lead to a change in the depreciation period and thus also in the depreciation rate for future years.

Income tax

The Company is subject to Italian income tax legislation. The determination of the tax liability requires the use of management assessments of transactions whose tax implications are uncertain at the end of the reporting period. The Company recognises liabilities, which might arise from future inspections by tax authorities, based on the estimated taxes that will be due. Should the outcome of the above inspections differ from that estimated by management, this could have a significant impact on current and deferred taxes.

Rounding off

All amounts shown in the tables and in these notes have been rounded to the nearest thousand euros.

Climate Change Information

In a regulatory context in which the European Union has developed a strategy aimed at more sustainable economic models, all aimed at achieving the 2050 climate neutrality target, the Company has initiated a process aimed at:
- the identification and analysis of risks and opportunities arising from climate change in line with the Paris Agreement (as more fully described in the 'Risks and Uncertainties' section of the Report on Operations and the Consolidated Sustainability Statement, which could affect the application of applicable accounting standards;
- the assessment of potential impacts on financial statement valuations.

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

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

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

The application of the above amendments did not have a impacts on values or on the financial statements.

2.3 IFRS accounting standards, amendments and interpretations endorsed by the European Union as of 31 December 2024, not yet mandatorily applicable and not adopted in advance of 31 December 2024

On 15 August 2023, the IASB published '**Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability**'. The document requires an entity to consistently apply a methodology for verifying whether one currency can be converted into another and, when this is not possible, explains how to determine the exchange rate to be used and the disclosures to be made in the notes to the financial statements. The amendments will apply from 1 January 2025, but early adoption is permitted.

The directors are currently evaluating the possible effects of the introduction of this amendment on the Company's consolidated financial statements.

2.4 Accounting standards, amendments and interpretations not yet applicable

At the reporting date, the competent bodies of the European Union have not yet completed the endorsement process necessary for the adoption of the amendments and principles described below.

On 9 April 2024, the IASB published a new standard '**IFRS 18 Presentation and Disclosure in Financial Statements**', which will replace IAS 1 Presentation of Financial Statements. The new standard aims to improve the presentation of the main financial statements and introduces important changes with regard to the income statement. In particular, the new standard:
- requires revenues and costs to be classified into three, new categories (operating section, investment section and financial section), in addition to the tax and discontinued operations categories already present in the income statement;
- presents two new sub-totals, operating profit and earnings before interest and taxes (i.e. EBIT).

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

The new standard will come into force on 1 January 2027, but earlier adoption is permitted.
- On 9 May 2024, the IASB published a new standard '**IFRS 19 Subsidiaries without Public Accountability: Disclosures**'. The new standard introduces some simplifications for the disclosure required by the IFRS in the financial statements of a subsidiary that meets the following requirements:
  - the subsidiary has not issued equity or debt instruments listed on a regulated market and is not in the process of issuing them;
  - its parent company prepares consolidated financial statements in accordance with IFRS.

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

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

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

- On 18 July 2024, the IASB published the '**Annual Improvements to IFRS Accounting Standards-Volume 11**', which contains clarifications, simplifications, corrections and amendments to the IFRS accounting standards aimed at improving consistency. The accounting standards concerned are: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows.

The amendments will apply from 1 January 2026. Early adoption is permitted.

- On 18 December 2024, the IASB published an amendment entitled '**Contracts Referencing Nature-dependent Electricity - Amendment to IFRS 9 and IFRS 7**'. The document aims to support entities in reporting the financial effects of renewable electricity purchase agreements (often structured as Power Purchase Agreements). On the basis of these agreements, the amount of electricity generated and purchased can vary depending on uncontrollable factors such as weather conditions. The IASB has made targeted amendments to IFRS 9 and IFRS 7. These include:
  - a clarification regarding the application of the 'own use' requirements to this type of agreements;
  - the criteria for allowing such agreements to be accounted for as hedging instruments; and,
  - new disclosure requirements to enable users of financial statements to understand the effect of these agreements on an entity's financial performance and cash flows.

The amendments will apply from 1 January 2026, but early adoption is permitted.

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

OTHER INFORMATION

Departures under Article 2423(4) of the Civil Code

There were no exceptional cases that required departures from legal provisions concerning the financial statements pursuant to Article 2423, Paragraph 4 of the Civil Code.

Article 2428 of the Civil Code

The information required by Article 2428, paragraphs 1, 2, 3 and 6 is provided in the Report on Operations. Information on the Company's financial instruments, objectives and policies on financial risk management is provided in Section E of these notes. The Company's registered office is in Viale R. Piaggio 25 56025 Pontedera (Pisa). The Company's branch offices are in Via G. Galilei 1 Noale (Venice) and in Via E.V. Parodi 57 Mandello del Lario (Lecco).

B) INFORMATION ON THE INCOME STATEMENT

3. Net revenues €/000 1,095,135

Revenues mainly consist of income from the sale of 2-wheeler vehicles, 3- and 4-wheeler light commercial vehicles and related spare parts and accessories, on European and non-European markets.
They are recognised net of premiums and discounts granted to customers and include sales to Group companies for €/000 165,500.

Revenues by geographic segment
The breakdown of revenues by geographic segment is shown in the following table:

IN THOUSANDS OF EUROS	2024		2023		CHANGES	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
EMEA and Americas	1,073,372	98.01	1,204,099	96.62	(130,727)	(10.86)
Asia Pacific	19,463	1.78	41,486	3.33	(22,023)	(53.09)
India	2,300	0.21	586	0.05	1,714	292.49
TOTAL	**1,095,135**	**100.00**	**1,246,171**	**100.00**	**(151,036)**	**(12.12)**

Revenues by product type
The breakdown of revenues by product type is shown in the following table:

IN THOUSANDS OF EUROS	2024		2023		VARIAZIONI	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
Two-wheelers	990,774	90.47	1,112,039	89.24	(121,265)	(10.90)
Commercial Vehicles	104,361	9.53	134,132	10.76	(29,771)	(22.20)
TOTAL	**1,095,135**	**100.00**	**1,246,171**	**100.00**	**(151,036)**	**(12.12)**

In 2024, net sales revenues showed a decrease of €/000 151,036.

4. Costs for materials €/000 680,562

The decrease in costs for materials compared to 2023 (-13%) was mainly due to the decrease in production volumes..
The item includes €/000 151,032 (€/000 151,100 in 2023) for purchases from subsidiaries and associates.
The cost of materials includes transport costs and outsourced services related to purchased goods.
The following table details the content of this item:

IN THOUSANDS OF EUROS	2024	2023	CHANGE
Raw, ancillary materials, consumables and goods	671,337	753,097	(81,760)
Change in inventories of raw, ancillary materials, consumables and goods	6,016	31,223	(25,207)
Change in work in progress of semi-finished and finished products	3,209	(4,867)	8,076
Total	**680,562**	**779,453**	**(98,891)**

5. Costs for services and use of third-party assets €/000 215,385

This item includes costs from Group companies and other related parties for €/000 58,582 (€/000 56,673 in 2023).

IN THOUSANDS OF EUROS	2024	2023	CHANGE
Employee costs	5,506	5,949	(443)
External maintenance and cleaning costs	6,826	7,023	(197)
Energy and telephone costs	8,029	11,144	(3,115)
Postal expenses	467	525	(58)
Commissions payable	21,506	20,394	1,112
Advertising and promotion	21,500	22,988	(1,488)
Technical, legal and tax consultancy and services	13,475	12,044	1,431
Company boards operating costs	2,413	2,965	(552)
Insurance	3,697	3,514	183
Outsourced manufacturing	24,868	28,334	(3,466)
Outsourced services	10,584	10,462	122
Transport costs (vehicles and spare parts)	29,967	32,771	(2,804)
Internal shuttle services	395	434	(39)
Sundry commercial expenses	3,987	4,798	(811)
External relations	1,539	1,141	398
Product warranty costs	1,264	1,121	143
Expenses for quality-related events	1,346	3,171	(1,825)
Bank costs and factoring charges	5,077	5,269	(192)
Miscellaneous services rendered in the business year	3,190	3,882	(692)
Other services	35,339	34,260	1,079
Cost for use of third-party assets	14,410	13,897	513
Total costs for services and use of third-party assets	**215,385**	**226,086**	**(10,701)**

Costs for services and use of third-party assets showed a decrease of 4.7% compared to the previous year.
Expenses for quality-related events were parcially offset by compensation recognised under "Other operating income" for €/000 645.
Outsourced manufacturing, amounting to €/000 24,868, refers to manufacturing on production components by our suppliers on a contract basis.
Expenses for the functioning of corporate bodies are detailed in the table below:

IN THOUSANDS OF EUROS	2024	2023
Directors	2,151	2,671
Auditors	48	161
Management Control Committee	65	-
Supervisory Body	62	62
Internal Control Committee	34	41
Nomination and Remuneration Committee	31	30
Related-Parties Transactions Committee	21	-
Reimbursement of expenses	1	-
Total remuneration	**2,413**	**2,965**

Services rendered during the business year include waste disposal and water treatment services for €/000 1,293.
Other services include €/000 30,243 for technical, sports and promotional services for Group brands provided by the subsidiary Aprilia Racing, for technical services provided by the subsidiaries Foshan Piaggio Vehicles Technology Research and Development Co LTD €/000 2,925 and Piaggio Advanced Design Center Corp. €/000 402, €/000 358 for research, design and development services provided by Piaggio Fast Forward and €/000 124 for services provided by other subsidiaries.
Insurance costs include €/000 55 incurred with related parties.

6. Employee costs €/000 170,637

The breakdown of employee costs is as follows:

IN THOUSANDS OF EUROS	2024	2023	CHANGE
Salaries and wages	119,692	124,259	(4,567)
Social security contributions	39,918	39,485	433
Termination benefits	8,653	8,564	89
Other costs	2,374	3,116	(742)
Total	**170,637**	**175,424**	**(4,787)**

The headcount as of 31 December 2024 was 2,961, of which 48 people on fixed-term contracts.

An analysis of the average and specific composition is given below:

	AVERAGE NUMBER		
LEVEL	2024	2023	CHANGE
Senior management	83	82	1
Middle management	245	227	18
White collars	789	800	(11)
Blue collars	1,966	2,170	(204)
Total	**3,083**	**3,279**	**(196)**

	NUMBER AS OF		
LEVEL	31 DECEMBER 2024	31 DECEMBER 2023	CHANGE
Senior management	83	80	3
Middle management	241	241	0
White collars	784	786	(2)
Blue collars	1,853	1,839	14
Total	**2,961**	**2,946**	**15**

Changes in employee numbers in the two periods are compared below:

LEVEL	AS OF 31.12.2023	INCOMING	LEAVERS	CHANGES IN JOB QUALIFICATION	AS OF 31.12.2024
Senior management	80	3	(4)	4	83
Middle management	241	10	(14)	4	241
White collars	786	41	(38)	(5)	784
Blue collars	1,839	849	(832)	(3)	1,853
Total (*)	**2,946**	**903**	**(888)**	**-**	**2,961**
(*) of which fixed-term contracts	7	814	(773)		48

7. Amortisation/ Depreciation and impairment costs €/000 95,418

Below is a summary of amortisation/depreciation for the year, broken down by category:

IN THOUSANDS OF EUROS	2024	2023	CHANGE
PROPERTY, PLANT AND EQUIPMENT:			
Buildings	5,960	4,617	1,343
Plant and machinery	14,169	6,481	7,688
Industrial and commercial equipment	1,896	15,062	(13,166)
Other assets	4,434	1,185	3,249
Total depreciation of property, plant and equipment and impairment costs	**26,459**	**27,345**	**(886)**

IN THOUSANDS OF EUROS	2024	2023	CHANGE
INTANGIBLE ASSETS:			
Development costs	22,554	26,952	(4,398)
Industrial Patent and Intellectual Property Rights	42,837	45,714	(2,877)
Concessions, licences, trademarks and similar rights	66	66	0
Total amortisation of intangible assets and impairment costs	**65,457**	**72,732**	**(7,275)**

IN THOUSANDS OF EUROS	2024	2023	CHANGE
RIGHTS OF USE:			
Buildings	1,637	1,612	25
Plant and machinery	856	856	-
Other assets	1,009	915	94
Total depreciation of rights of use	**3,502**	**3,383**	**119**

The item 'Industrial patent and intellectual property rights' includes amortisation relative to software amounting to €/000 10,421.
As specified in more detail in the section on intangible assets, impairment testing of goodwill confirmed the full recoverability of the values expressed in the financial statements.
Impairment costs of intangible assets refer to development projects for which production plans were revised as part of the Business Plan update prepared by the Company.
During the year, the European Community decided to postpone the entry into force of the EURO7 standard for 4-wheeler commercial vehicles, which includes the Porter NP6, until 2030. The company, from as early on as 2022, had started the technical analysis of the individual vehicle components and related equipment to verify the possibility of using them over a longer period of time, in light of the start of the investment that envisages the adoption of all active and passive safety systems on combustion engine vehicles from July 2024 and the development of the new electric Porter NPE. Following all the analyses carried out, and on the basis of the experience gained in previous years, Piaggio has therefore defined new amortisation plans on a forward-looking basis starting from the current year, until 2029.
The categories involved relate to both intangible assets and property, plant and equipment.
The effect of this change is as follows:

IN THOUSANDS OF EUROS	2024	2025	2026	2027	2028	2029
(DECREASE)/INCREASE IN DEPRECIATION/AMORTISATION						
Amortisation of intangible assets	(2,329)	(8,645)	1,959	3,077	3,078	2,860
Depreciation of property, plant and equipment	(897)	(352)	282	323	323	321
Total change	**(3,226)**	**(8,997)**	**2,241**	**3,400**	**3,401**	**3,181**

8. Other operating income €/000 162,608

This item consists of:

IN THOUSANDS OF EUROS	2024	2023	CHANGE
Operating grants	2,497	3,588	(1,091)
Increases in fixed assets for internal work	45,237	38,167	7,070
Expenses recovered in invoices	36,068	36,984	(916)
Rents	308	401	(93)
Capital gains on asset disposals	576	25	551
Recovery of transport costs	177	258	(81)
Commercial cost recovery	4,634	4,474	160
Recovery of registration costs	134	36	98
Advertising income		2	(2)
Recovery of stamp duty	956	1,018	(62)
Recovery of labour costs	6,485	6,340	145
Recovery of costs from suppliers	591	927	(336)
Recovery of warranty costs	12	21	(9)
Recovery of taxes from customers	252	210	42
Recovery of sundry costs	1,934	2,586	(652)
Provision of services to group companies	15,217	14,522	695
Licence rights and know-how	27,686	33,781	(6,095)
Commissions receivable	1,232	1,894	(662)
Compensation third party damage	10,762	837	9,925
Compensation third parties for quality-related events	645	1,086	(441)
Clearance of accounts payable		106	(106)
Revenues from surplus funds	81		81
Other income	7,124	4,469	2,655
Total	**162,608**	**151,732**	**10,876**

The item includes income from Group companies totalling €/000 51,719.
operating grants refer to:
- €/000 208 for public and European grants concerning research projects;
- €/000 293 for grants relating to professional training provided by the trade association;
- €/000 1,454 for government grants related to Research and Development, Technological Innovation and Design and Aesthetic Concepts;
- €/000 96 for grants accrued on investments in ordinary property, plant and equipment and intangible assets;
- €/000 446 for government grants related to Industry 4.0 investments;

During the reporting period, internal costs were capitalised on development projects and know-how for €/000 42,574, internal costs relating to the construction of software for €/000 921 and internal costs for the construction of property, plant and equipment for €/000 1,741.
Invoice-recovered expenses refer to the preparation, advertising, insurance, transport and packaging costs charged to customers directly in the sales invoices for the products.
The item 'Recovery of sundry costs' refers for €/000 699 to charges to Group companies and for €/000 1,235 to charges to third parties for the recovery of various types of costs.
Licence rights were obtained for €/000 25,749 from Group companies (Piaggio Vehicles €/000 12,822, Piaggio Vietnam €/000 12,627, Piaggio Indonesia €/000 182, Piaggio Indonesia Industrial €/000 30, Aprilia Racing €/000 41 and Zongshen Piaggio Foshan Motorcycle Co. Ltd €/000 47).
Income for the recovery of labour costs essentially consists of charges made to Group companies for the employment of personnel.
Recoveries from suppliers consist of charges for the recovery of materials and final inspections, and charges for failure to deliver materials to assembly lines.
The recovery of stamp duty essentially relates to charging dealers for stamp duty on vehicle certificates of conformity.
In compliance with paragraph 125 of Law 124/2017 of 4 August 2017, details per project of the grants received during 2024 are presented

in Note 44 'Grants, contributions, remunerated positions and economic advantages from public administrations'.
The increase in the item Compensation third party damage is mainly related to the recognition of an insurance indemnity for the floods that hit the Pontedera plant in November 2023 and damage compensation for a lawsuit concerning the infringement of certain Piaggio patents brought by Piaggio against a competitor.

9. Impairment of trade and other receivables, net €/000 (1,020)

This item consists of:

IN THOUSANDS OF EUROS	2024	2023	CHANGE
Losses on receivables	-	(18)	18
Impairment of receivables in working capital	(1,020)	(705)	(315)
Total	**(1,020)**	**(723)**	**(297)**

Write-downs of receivables made during the year concerned both trade and other receivables.

10. Other operating costs €/000 15,897

This item consists of:

IN THOUSANDS OF EUROS	2024	2023	CHANGE
Provision for litigation	-	500	(500)
Provisions for future risks	750	2,000	(1,250)
Total provisions for risks	*750*	*2,500*	*(1,750)*
Provisions for product warranties	7,331	7,200	131
Provision for quality-related events			
Provision for financial services expenses			
Total other provisions	*7,331*	*7,200*	*131*
Stamp duty	1,072	1,171	(99)
Duties and taxes not on income	1,534	1,380	154
Municipal tax, formerly ICI	1,441	1,446	(5)
Miscellaneous membership contributions	1,167	1,143	24
Social utility expenses	764	1,204	(440)
Capital losses from disposal of assets	364	31	333
Environmental Certificates	363	617	(254)
Miscellaneous expenses	1,111	1,561	(450)
Total sundry operating costs	*7,816*	*8,553*	*(737)*
Total	**15,897**	**18,253**	**(2,356)**

Overall, other operating costs , which include costs from Group companies of €/000 369, decreased by €/000 2,356.
The stamp duty of €/000 1,072 essentially refers to the tax due on certificates of conformity for vehicles. This amount is charged to Dealers and the recovery is stated under 'Other operating income'.
The item Costs for ETS certificates refers to provisions related to charges for the purchase of these certificates. These provisions are made on the basis of the best estimate of the number of certificates that the Company will have to return to the Authority valued at the market price recorded at the end of the financial year. In fact, the Pontedera plant in Italy falls within the scope of the 'Emission Trading' Directive (Directive 2003/87/EC), which provides for the allocation of a quantity of emission permits generally lower than the emissions recorded in the reference year, with the need for the Company to purchase the necessary quotas for the purpose of compliance on the emissions market.

11. Results of associates - Income/(losses) €/000 38,225

This item consists of:

IN THOUSANDS OF EUROS	2024	2023	CHANGE
Positive differences in valuation using the Equity Method in subsidiaries	56,751	72,776	(16,025)
Positive differences in valuation using the Equity Method in associates	14	6	8
Negative differences in valuation using the Equity Method in subsidiaries	(17,422)	(21,824)	4,402
Negative differences in valuation using the Equity Method in associates	(1,152)	(561)	(591)
Dividends from minority interests	34	34	0
Total	**38,225**	**50,431**	**(12,206)**

Dividends from minority interests were distributed by the company Ecofor Service Pontedera (€/000 34).

The tables below detail the positive and negative differences recognised on investments in subsidiaries and associates in application of the Equity Method.

IN THOUSANDS OF EUROS	2024	2023	CHANGE
POSITIVE DIFFERENCES IN VALUATION USING THE EQUITY METHOD IN SUBSIDIARIES			
Piaggio Vespa B.V.	12,845	21,259	(8,414)
Piaggio Vehicles Pvt.	22,287	11,900	10,387
Piaggio Vietnam	20,220	37,917	(17,697)
Aprilia Racing	733	168	565
Piaggio España	93	486	(393)
Piaggio Indonesia	545	1,015	(470)
Piaggio Advanced Design Center Corporation	28	31	(3)
Total	**56,751**	**72,776**	**(16,025)**

IN THOUSANDS OF EUROS	2024	2023	CHANGE
POSITIVE DIFFERENCES IN VALUATION USING THE EQUITY METHOD IN ASSOCIATES			
Pontedera & Technology	14	6	8
Total	**14**	**6**	**8**

IN THOUSANDS OF EUROS	2024	2023	CHANGE
NEGATIVE DIFFERENCES IN VALUATION USING THE EQUITY METHOD IN SUBSIDIARIES			
Piaggio China	(453)	(223)	(230)
Nacional Motor	(85)	(75)	(10)
Piaggio Fast Forward	(16,363)	(21,130)	4,767
Piaggio Concept Store	(521)	(396)	(125)
Total	**(17,422)**	**(21,824)**	**4,402**

IN THOUSANDS OF EUROS	2024	2023	CHANGE
NEGATIVE DIFFERENCES IN VALUATION USING THE EQUITY METHOD IN ASSOCIATES			
Zongshen Piaggio Foshan Motorcycle	(1,152)	(561)	(591)
Total	**(1,152)**	**(561)**	**(591)**

12. Net financial income (financial costs) €/000 (37,905)

This item consists of:

IN THOUSANDS OF EUROS	2024	2023	CHANGE
Total financial income	3,491	3,049	442
Total financial costs	(41,540)	(37,306)	(4,234)
Total net exchange-rate gains/(losses)	144	494	(350)
Net financial income (financial costs)	**(37,905)**	**(33,763)**	**(4,142)**

The balance of financial income (costs) for 2024 was negative for €/000 37,905, up from €/000 33,763 in the previous year.
The poorer performance is essentially due to higher indebtedness and the issue of the new debenture loan in October 2023, partially mitigated by the positive impact of currency management and the higher capitalisation of charges on fixed assets.
Financial income and costs are detailed below:

IN THOUSANDS OF EUROS	2024	2023	CHANGE
Financial income:			
- From subsidiaries	2,393	2,678	(285)
- From subsidiaries for operating leases	39	3	36
Financial income from third parties:			
- Interest income from customers	11	25	(14)
- Interest income from deposits	945	334	611
- Interest income on tax receivables	3	-	3
- Others	100	9	91
Total financial income from third parties	*1,059*	*368*	*691*
Total financial income	**3,491**	**3,049**	**442**

The amount of €/000 2,393 recognised under financial income from subsidiaries refers to interest earned on financial activities with the subsidiaries Piaggio Fast Forward (€/000 532), Aprilia Racing (€/000 1,750) and other minor entities (€/000 111).

IN THOUSANDS OF EUROS	2024	2023	CHANGE
Financial costs with Subsidiaries:			
- Interest expense on loans from Subsidiaries	491	480	11
Financial costs with Subsidiaries:			
- Interest expense on operating leases with Parent Companies	433	62	371
Financial costs with Third Parties:			
- Interest on Debenture Loan	16,769	14,920	1,849
- Interest on bank accounts	1,144	821	323
- Interest on bank loans	16,517	12,280	4,237
- Interest to suppliers	3,010	3,373	(363)
- Interest to other lenders	2,341	2,371	(30)
- Interest on factor subconto transactions	4,639	3,478	1,161
- Cash discounts to clients	280	383	(103)
- Commodities valuation costs	213	802	(589)
- Bank charges on loans	1,164	1,117	47
- Interest on finance lease agreements	148	194	(46)
- Interest expense on operating leases	220	208	12
- Financial costs from discounting back termination and termination benefits	701	811	(110)
- Others	21	35	(14)
Total financial costs with third parties	*47,167*	*40,793*	*6,374*
Total financial costs	**48,091**	**41,335**	**6,756**
Costs capitalised on property, plant and equipment	(901)	(369)	(532)
Costs capitalised on intangible assets	(5,650)	(3,660)	(1,990)
Total capitalised costs	**(6,551)**	**(4,029)**	**(2,522)**
Total financial costs	**41,540**	**37,306**	**4,234**

During 2024, financial costs for €/000 6,551 were capitalised (€/000 4,029 in 2023). The average rate used for capitalising financial costs (since there were general loans) was 5.38% (4.73% in 2023).
Interest paid to other lenders mainly refers to interest paid to factoring companies and banks for the sale of trade receivables.

IN THOUSANDS OF EUROS	2024	2023	CHANGE
Exchange rate differences from realisation			
- Exchange gains	10,213	14,825	(4,612)
- Exchange losses	(10,935)	(13,691)	2,756
Total realised exchange gains (losses)	*(722)*	*1,134*	*(1,856)*
Exchange rate differences from valuation			
- Exchange gains	3,880	993	2,887
- Exchange losses	(3,014)	(1,633)	(1,381)
Total exchange gains (losses) from valuation	*866*	*(640)*	*1,506*
Total net exchange-rate gains/(losses)	**144**	**494**	**(350)**

13. Income Taxes €/000 12,305

Details of the item Income Taxes are given below:

IN THOUSANDS OF EUROS	2024	2023	CHANGE
Current taxes	10,721	23,797	(13,076)
Deferred taxes	1,459	617	842
Taxes from previous years	125	(3,846)	3,971
Total taxes	**12,305**	**20,568**	**(8,263)**

In 2024, taxes generated a total cost of €/000 12,305.
Current taxes generated a cost of €/000 10,721 and consisted of:
- €/000 8,053 from taxes on income produced abroad;
- €/000 3,762 from IRAP due on the value of production realised during the year;
- €/000 10,751 from IRES due on income for the year;
- €/000 11,845 from the positive balance resulting from the allocation of the economic effects governed by the tax consolidation agreement in force.

Deferred taxes represent the economic effects of deferred tax assets and liabilities.
With regard to deferred tax liabilities during the year, new provisions of €/000 3,550 were recognised in the income statement and portions of provisions allocated in previous years of €/000 2,910 were released.
On the other hand, as regards deferred tax assets, new allocations to the income statement amounted to €/000 1,247, while the release of amounts set aside in previous years amounted to €/000 2,066.
The balance of taxes from previous years was positive at €/000 125.
Temporary differences arising from tax and statutory misalignments mainly relate to depreciation, write-downs and provisions.

The reconciliation with the theoretical rate is shown in the table below:

IN THOUSANDS OF EUROS	2024	2023
INCOME TAX		
Profit before tax	79,144	111,172
Theoretical rate	24.00%	24.00%
Theoretical tax	18,995	26,681
Effect of changes in Income Before Taxes due to the application of tax regulations	(8,244)	(10,663)
Reverse deferred IRES allocated in previous years on temporary variations.	(2,892)	(1,425)
Reverse deferred IRES allocated in previous years on temporary variations.	1,588	918
Reverse IRES advance allocated in previous years on tax losses	326	2,637
Taxes on income earned abroad	8,053	5,381
Taxes referring to previous years	380	(3,587)
Expenses (income) from Tax Consolidation	(11,845)	(3,760)
Tax effect of deferred IRES allocated on temporary variations	3,470	3,181
Tax effect of deferred IRES assets allocated on temporary variations	(1,128)	(2,043)
Tax effect of prior-year IRES on tax loss of previous years		(2,637)
REGIONAL BUSINESS TAX (IRAP)		
IRAP on net production value for the year	3,762	4,663
IRAP referring to previous years	(255)	(259)
Reverse deferred IRAP allocated in previous years on temporary variations	(18)	(15)
Reverse deferred IRAP allocated in previous years on temporary variations	152	142
Tax effect of deferred IRAP allocated on temporary variations	80	80
Tax effect of deferred IRAP allocated on temporary variations	(119)	(221)
Other		1,495
Income tax recognised in the financial statements	**12,305**	**20,568**

Theoretical taxes were determined by applying the corporate income tax (IRES) rate in force in Italy (24%) to the pre-tax result. The impact of the IRAP was determined separately, as this tax is not calculated on the basis of the pre-tax result.

Since from the 2024 tax period, the Piaggio & C. S.p.A. Group, as part of the wider Omniaholding S.p.A. Group (also referred to as the "**Omnia Group**"), has been required to apply the regulations in Italian Legislative Decree no. 209 of 27 December 2023, which transposes the EU Directive 2022/2523 into national law, in accordance with the OECD's 'Tax Challenges Arising from the Digitalisation of the Economy - Global Anti-Base Erosion Model Rules' (Pillar Two).

For the effects resulting from the application of Pillar Two, please refer to the information given in Section 14 'Taxes' of the Notes to the Consolidated Financial Statements.


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(C) INFORMATION ON OPERATING ASSETS AND LIABILITIES

14. Intangible assets €/000 666,927

Intangible assets increased by a total of €/000 34,239 as a result of investments net of divestments during the year and amortisation for the period.
The increases mainly refer to the capitalisation of development costs for new products and new engines, as well as the acquisition of development software.
Financial costs of €/000 5,650 were capitalised in the year 2024, applying an average interest rate of 5.38%.

The following table shows the breakdown of intangible assets as of 31 December 2023 and 31 December 2024, as well as the changes that occurred during the two financial years.

IN THOUSANDS OF EUROS	DEVELOPMENT COSTS			PATENT RIGHTS AND KNOW-HOW			TRADE MARKS, CONCESSIONS AND LICENCES	GOODWILL	OTHER			TOTAL		
	IN SERVICE	ASSETS UNDER DEVELOPMENT AND ADVANCES	TOTAL	IN SERVICE	ASSETS UNDER DEVELOPMENT AND ADVANCES	TOTAL			IN SERVICE	ASSETS UNDER DEVELOPMENT AND ADVANCES	TOTAL	IN SERVICE	ASSETS UNDER DEVELOPMENT AND ADVANCES	TOTAL
Historical cost	290,113	17,976	308,089	556,840	40,692	597,532	209,716	463,926	70		70	1,520,665	58,668	1,579,333
Provision for write-downs	(1,709)		(1,709)	0		0					0	(1,709)	0	(1,709)
Accumulated amortisation	(231,401)		(231,401)	(456,294)		(456,294)	(181,968)	(95,375)			0	(965,038)	0	(965,038)
Number as of 01 01 2023	**57,003**	**17,976**	**74,979**	**100,546**	**40,692**	**141,238**	**27,748**	**368,551**	**70**	**0**	**70**	**553,918**	**58,668**	**612,586**
Investments	4,840	26,381	31,221	9,143	52,576	61,719			578		0	13,983	78,957	92,940
Transitions in the period	1,762	(1,762)	0	8,099	(8,099)	0					0	9,861	(9,861)	0
Amortisation	(26,343)		(26,343)	(45,714)		(45,714)	(66)				0	(72,123)	0	(72,123)
Write-downs	(609)		(609)			0					0	(609)	0	(609)
Disposals	0		0	(76)		(76)			(646)		0	(76)	0	(76)
Other movements	38	0	38			0					0	38	0	38
Total movements for the period	**(20,312)**	**24,619**	**4,307**	**(28,548)**	**44,477**	**15,929**	**(66)**	**0**	**(68)**	**0**	**0**	**(48,926)**	**69,096**	**20,170**
Historical cost	295,034	42,595	337,629	573,992	85,169	659,161	209,716	463,926	2		2	1,542,670	127,764	1,670,434
Provision for write-downs	(609)		(609)			0					0	(609)	0	(609)
Accumulated amortisation	(257,734)		(257,734)	(501,994)		(501,994)	(182,034)	(95,375)			0	(1,037,137)	0	(1,037,137)
Number as of 31 12 2023	**36,691**	**42,595**	**79,286**	**71,998**	**85,169**	**157,167**	**27,682**	**368,551**	**2**	**0**	**2**	**504,924**	**127,764**	**632,688**
Investments	13,967	20,039	34,006	27,000	38,667	65,667			438		438	41,405	58,706	100,111
Transitions in the period	23,578	(23,578)	0	48,294	(48,294)	0					0	71,872	(71,872)	0
Amortisation	(22,554)		(22,554)	(42,837)		(42,837)	(66)				0	(65,457)	0	(65,457)
Write-downs	0		0	0		0					0	0	0	0
Disposals	0		0	(10)		(10)			(405)		(405)	(415)	0	(415)
Other movements			0			0					0	0	0	0
Total movements for the period	**14,991**	**(3,539)**	**11,452**	**32,447**	**(9,627)**	**22,820**	**(66)**	**0**	**33**	**0**	**33**	**47,405**	**(13,166)**	**34,239**
Historical cost	331,970	39,056	371,026	649,274	75,542	724,816	209,716	463,926	35		35	1,654,921	114,598	1,769,519
Provision for write-downs	0		0	0		0					0	0	0	0
Accumulated amortisation	(280,288)		(280,288)	(544,829)		(544,829)	(182,100)	(95,375)			0	(1,102,592)	0	(1,102,592)
Number as of 31 12 2024	**51,682**	**39,056**	**90,738**	**104,445**	**75,542**	**179,987**	**27,616**	**368,551**	**35**	**0**	**35**	**552,329**	**114,598**	**666,927**

Development costs €/000 90,738

Development costs include costs for products and engines referable to projects for which, as regards the period of the useful life of the asset, revenues are expected that allow for the costs incurred to be recovered.
With regard to development expenditure, the new projects capitalised during 2024 refer to the study of new vehicles and new engines that are the flagship products of the 2024-2026 range, including the new Porter NP6 that will also be available as an electric version.
Financial costs attributable to the development of products which require a considerable period of time to be realised are capitalised as a part of the cost of the actual assets. Development costs included under this item are amortised on a straight line basis over a period of 3 to 5 years (base products), in consideration of their remaining useful life. The only exception concerns the development costs related to NP6 project for which, as already commented in Note 7 Amortisation/Depreciation and Impairment Costs to which reference should be made, the useful life has been extended by a further four years.
During 2024, development costs amounting to approximately €/000 17,072 were carried as expenses directly in the income statement.
Pursuant to Article 2426(5) of the Italian Civil Code, it should be noted that shareholders' equity is unavailable for the value of development costs still to be amortised equal to €/000 90,738.

Industrial patent rights and know-how €/000 179,987

This item consists of patents for €/000 3,794, know-how for €/000 153,102 and software for €/000 23,091.
As far as software is concerned, the increase in the year amounted to €/000 6,938 and was substantially attributable to the purchase of various licences, as well as the implementation of projects in the sales, production, personnel and administrative areas.
Investments in know-how amounted to €/000 56,909 and mainly refer to new techniques and methods of calculation, design and production developed by the Company for the main new products in the 2024-2026 range.
Patent rights costs of €/000 1,820 were capitalised.
Costs for industrial patent and intellectual property rights are amortised on a straight line basis over a period of 3 to 5 years, in consideration of their remaining useful life.

Trade Marks, Concessions and Licences €/000 27,616

Trade marks, concessions and licences are detailed as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Guzzi trademark	9,750	9,750	-
Aprilia trademark	17,494	17,494	-
Minor trademarks	-	5	(5)
Foton licence	372	433	(61)
Total	**27,616**	**27,682**	**(66)**

As they have had an indefinite useful life since 2021, the Moto Guzzi and Aprilia brands are no longer amortised but are tested annually for impairment, as provided for by IAS 36 - 'Impairment of Assets' and described in more detail in the section on 'Goodwill'.
The Foton licence is amortised over a 10-year period expiring in 2031.
Other trademarks recognised in the Aprilia merger decreased in the year by €/000 5 following amortisation calculated on the basis of the relative useful life.

Goodwill €/000 368,551

As noted with reference to accounting standards, since 1 January 2004, goodwill is no longer amortised, but is tested for impairment annually, or more frequently if specific events or changed circumstances indicate the possibility of impairment, in accordance with IAS 36 Impairment of Assets.
The possibility of reinstating booked values is verified by comparing the net carrying amount of individual cash generating units with the recoverable value (value in use). This recoverable value is represented by the present value of future cash flows which, it is estimated, will be derived from the continual use of goods referring to cash generating units and by the terminal value attributable to these goods.
The recoverability of goodwill is verified at least once a year (as of 31 December), even in the absence of indicators of impairment losses.
The main assumptions used by the Company to determine future cash flows, relative to a 4-year time horizon, and the resulting recoverable value (value in use) refer to:

a. a forecasted cash flow hypothesis for a four-year time horizon derived from budget data for the year 2025, approved by the Board of Directors of Piaggio & C. S.p.A. on 22 January 2025, supplemented by forecast data for the period 2026-2028, approved by the Board of Directors of the Company on 26 February 2025, together with the impairment test;
b. the WACC discount rate;
c. in addition to the explicit period, a growth rate (G - rate) was estimated.

In particular, the Company has adopted a discount rate (WACC) that reflects the weighted average cost of capital calculated for the purpose of discounting cash flows based on a weighting between the cost of debt and the cost of equity. This figure was prepared on the basis of values of companies comparable to Piaggio & C. S.p.A. and therefore operating in the same business sector, to reflect current market valuations of the cost of money and taking into account the specific risks of the business and geographic segment in which the cash generating unit operates.
In determining the calculation of the discount rate (WACC), the company extrapolated data on the financial and beta structure of comparable companies from main financial sources, as well as other parameters (i.e. the risk free rate) based on market observations and in accordance with valuation practices.

In the discounted future cash flow model, a terminal value is entered at the end of the cash flow projection period, to reflect the residual value that each cash generating unit is expected to generate. The terminal value represents the present value, at the last year of the projection, of all subsequent cash flows calculated as an annuity, and was determined using a growth rate (g rate) which the CGU belongs to.

	EMEA AND AMERICAS	ASIA PACIFIC 2W	INDIA
2024			
WACC	7.4%	8.3%	10.1%
G - rate	1.5%	2.0%	2.5%
Sales growth rate over the Plan period	4.6%	9.2%	9.1%
2023			
WACC	7.7%	8.1%	10.5%
G - rate	1.5%	2.0%	2.5%
Sales growth rate over the Plan period	2.4%	8.6%	13.1%

The medium to long-term growth rate (g rate) for determining the Terminal Value was considered reasonable and conservative in light of:
- of analysts' expectations for the Company (source: the most recent Analyst Reports);
- the long-term real GDP growth trend expected for the main countries where the Company operates (source: Economist Intelligence Unit – EIU);
- the expected long-term inflation trend for the main countries where the Company operates (source: Economist Intelligence Unit – EIU);
- the expected long-term nominal production trend in the main countries where the Company operates for two-wheelers and commercial vehicles (source: Euromonitor).

The WACC was determined taking into account the specific reference scenarios of the CGUs the Company refers to.

The cash flows used reflect the performance of the new 2025-2028 plan, also developed in light of the 2024 trend, with a sales growth rate in line with the expected trend of the sector, and a margin consistent with the results achieved in the last financial year.
The analyses conducted did not identify any impairment losses. Therefore, no impairment was reflected in the company's figures as of 31 December 2024.
In addition, and on the basis of information in the document produced jointly by the Bank of Italy, Consob and Isvap no. 2 of 6 February 2009, the Company conducted sensitivity analysis of test results in relation to changes in basic assumptions (use of the growth rate in producing the terminal value and discount rate) which affect the value in use of cash generating units. Even in the case of a positive or negative change of 0.5% in the WACC and G used, the analyses would not identify impairment losses.
In all cases, the value in use of the Company was higher than the net carrying amount tested.

In addition, the Company has always paid special attention to sustainable mobility and the protection of all ESG (Environmental, Social and Governance) issues, and in 2023 presented a Decarbonisation Plan with a time horizon of 2030. For some years now, the Company has been implementing internal processes for analysing and assessing short and medium/long-term risks and opportunities related to climate change and the reduction of polluting emissions. Therefore, in preparing the 2025 budget and the 2026-2028 plan, and in developing the accounting estimates in them, Management considered the impacts on investments, costs and cash flows of the following elements:
- research into new technologies, focussing on future mobility to address new urbanisation;
- continuation investment in electric vehicles (2-3-4 wheelers);

- investments in the active and passive safety of all vehicles;
- investments related to the achievement of the objectives in the Decarbonisation Plan, with particular reference to initiatives aimed at reducing emissions by 2030, as more fully described in the Sustainability Statement.

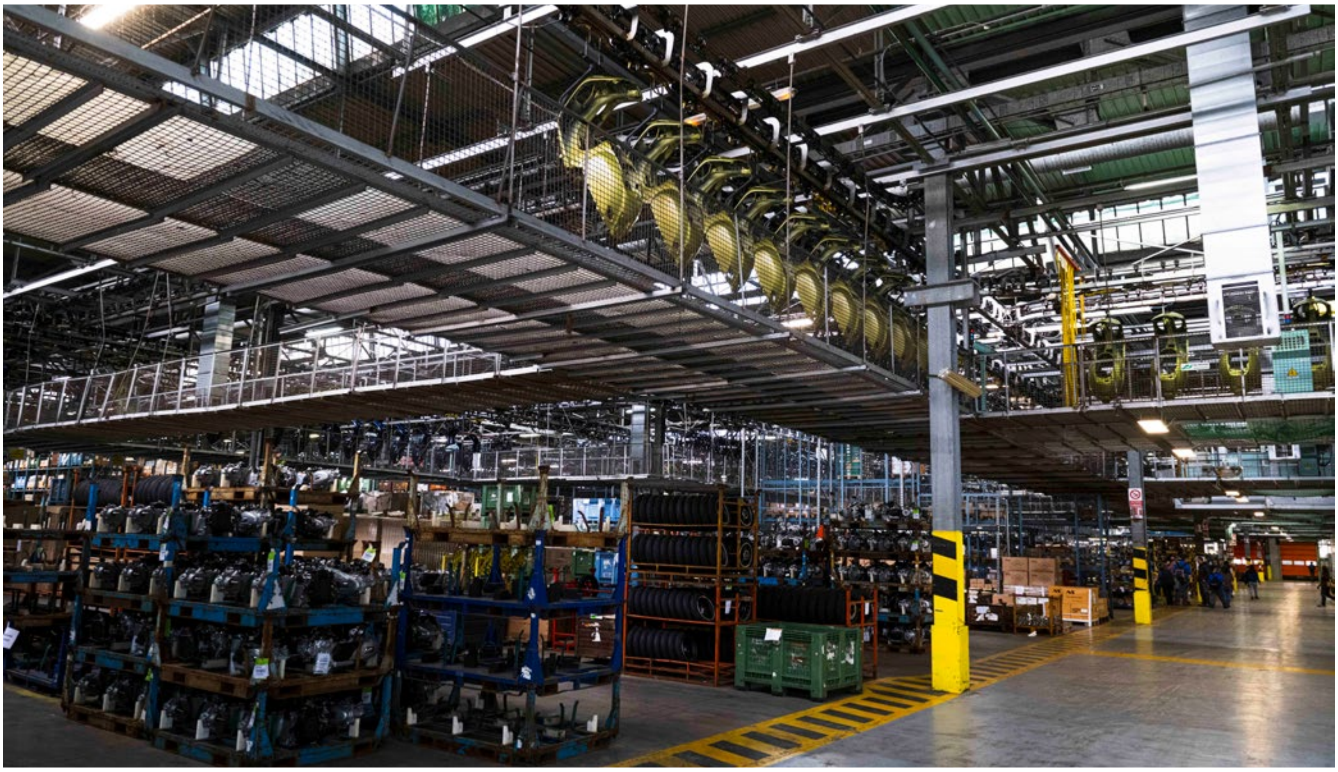
The analyses carried out as part of the impairment test did not identify any elements requiring write-downs of balance sheet assets.
Since the recoverable amount has been determined on the basis of estimates, the Company cannot guarantee that there will be no impairment of goodwill in future periods.
Given the current market uncertainty, the various factors used in making estimates could be revised; the Company will constantly monitor these factors and the existence of impairment losses.

Other intangible assets €/000 35

The item includes ETS certificates still in the portfolio for €/000 35. For more details on the Emission Trading Directive (Directive 2003/87/EC), which has established the ETS certificate trading system, see Note 10 Other Operating Costs.

15. Property, plant and equipment €/000 179,467

Property, plant and equipment increased by a total of €/000 14,786.
Investments made during the period total €/000 41,676 and mainly refer to the renovation of the Moto Guzzi plant in Mandello del Lario and moulds for new vehicles launched in the period.
Financial costs attributable to the construction of assets which require a considerable period of time to be ready for use are capitalised as a part of the cost of the actual assets.
Financial costs of €/000 901 were capitalised in the year 2024, applying an average interest rate of 5.38%.
The following table shows the breakdown of property, plant and equipment as of 31 December 2023 and 31 December 2024, as well as the changes that occurred during the two financial years.



IN THOUSANDS OF EUROS	LAND	BUILDINGS			PLANT AND MACHINERY			EQUIPMENT			OTHER ASSETS			TOTAL		
	TOTAL	IN SERVICE	ASSETS UNDER CONSTRUCTION AND ADVANCES	TOTAL	IN SERVICE	ASSETS UNDER CONSTRUCTION AND ADVANCES	TOTAL	IN SERVICE	ASSETS UNDER CONSTRUCTION AND ADVANCES	TOTAL	IN SERVICE	ASSETS UNDER CONSTRUCTION AND ADVANCES	TOTAL	IN SERVICE	ASSETS UNDER CONSTRUCTION AND ADVANCES	TOTAL
Historical cost	27,640	149,969	2,407	152,376	297,780	1,196	298,976	534,582	2,981	537,563	26,429	466	26,895	1,036,400	7,050	1,043,450
Provision for write-downs		(622)		(622)	(617)		(617)	(4,031)		(4,031)			0	(5,270)	0	(5,270)
Accumulated depreciation		(88,285)		(88,285)	(261,151)		(261,151)	(493,812)		(493,812)	(23,369)		(23,369)	(866,617)	0	(866,617)
Number as of 01 01 2023	**27,640**	**61,062**	**2,407**	**63,469**	**36,012**	**1,196**	**37,208**	**36,739**	**2,981**	**39,720**	**3,060**	**466**	**3,526**	**164,513**	**7,050**	**171,563**
Investments		1,761	870	2,631	3,602	2,386	5,988	4,006	4,840	8,846	1,935	1,144	3,079	11,304	9,240	20,544
Transitions in the period		1,310	(1,310)	0	846	(846)	0	1,337	(1,337)	0	466	(466)	0	3,959	(3,959)	0
Depreciation		(4,377)		(4,377)	(6,481)		(6,481)	(15,062)		(15,062)	(1,185)		(1,185)	(27,105)	0	(27,105)
Write-downs		(240)		(240)			0			0			0	(240)	0	(240)
Disposals				0	(29)		(29)	(59)		(59)			0	(88)	0	(88)
Other movements				0			0			0	7		7	7	0	7
Total movements for the year	**0**	**(1,546)**	**(440)**	**(1,986)**	**(2,062)**	**1,540**	**(522)**	**(9,778)**	**3,503**	**(6,275)**	**1,223**	**678**	**1,901**	**(12,163)**	**5,281**	**(6,882)**
Historical cost	27,640	153,040	1,967	155,007	289,931	2,736	292,667	538,141	6,484	544,625	28,629	1,144	29,773	1,037,381	12,331	1,049,712
Revaluations				0			0	0		0			0	0	0	0
Provision for write-downs		(862)		(862)	(617)		(617)	(4,031)		(4,031)			0	(5,510)	0	(5,510)
Accumulated depreciation		(92,662)		(92,662)	(255,364)		(255,364)	(507,149)		(507,149)	(24,346)		(24,346)	(879,521)	0	(879,521)
Number as of 31 12 2023	**27,640**	**59,516**	**1,967**	**61,483**	**33,950**	**2,736**	**36,686**	**26,961**	**6,484**	**33,445**	**4,283**	**1,144**	**5,427**	**152,350**	**12,331**	**164,681**
Investments	160	818	12,626	13,444	3,071	8,101	11,172	6,338	7,722	14,060	2,573	267	2,840	12,960	28,716	41,676
Transitions in the period		36	(36)	0	1,320	(1,320)	0	5,807	(5,807)	0	583	(583)	0	7,746	(7,746)	0
Depreciation		(4,434)		(4,434)	(5,960)		(5,960)	(14,169)		(14,169)	(1,896)		(1,896)	(26,459)	0	(26,459)
Disposals	(24)	(393)		(393)	(3)		(3)	(4)		(4)	(7)		(7)	(431)	0	(431)
Total movements for the year	**136**	**(3,973)**	**12,590**	**8,617**	**(1,572)**	**6,781**	**5,209**	**(2,028)**	**1,915**	**(113)**	**1,253**	**(316)**	**937**	**(6,184)**	**20,970**	**14,786**
Historical cost	27,776	152,643	14,557	167,200	294,304	9,517	303,821	550,282	8,399	558,681	31,763	828	32,591	1,056,768	33,301	1,090,069
Provision for write-downs		(862)		(862)	(617)		(617)	(4,031)		(4,031)			0	(5,510)	0	(5,510)
Accumulated depreciation		(96,238)		(96,238)	(261,309)		(261,309)	(521,318)		(521,318)	(26,227)		(26,227)	(905,092)	0	(905,092)
Number as of 31 12 2024	**27,776**	**55,543**	**14,557**	**70,100**	**32,378**	**9,517**	**41,895**	**24,933**	**8,399**	**33,332**	**5,536**	**828**	**6,364**	**146,166**	**33,301**	**179,467**

Land — €/000 27,776

The change from the previous year derives from an exchange of land and appurtenances between the Municipality of Pontedera and the Company.

Buildings — €/000 70,100

Buildings increased by a total of €/000 8,617. The positive difference originates from new investments made during the year for €/000 13,444, from the decrease generated by depreciation for the period for €/000 4,434 and from write-offs for €/000 393.
Capital expenditure for the year refers to operating buildings and mainly to work carried out at the Pontedera, Mandello del Lario, Noale and Scorzè plants.
During the period, capitalisation of €/000 854 came into effect, of which €/000 36 related to investments made in previous years.

Plant and machinery — €/000 41,895

This item increased by a total of €/000 5,209. The negative difference is due to new investments made during the year for €/000 11,172, the decrease generated by depreciation for the period for €/000 5,960 and the disposal of residual costs for €/000 3.

Capitalisation mainly related to investments in new vehicle production lines and the purchase of new machinery for mechanical processing.
During the period, capitalisation of €/000 4,391 came into effect, of which €/000 1,320 related to investments made in previous years.

Equipment €/000 33,332

This item decreased by a total of €/000 113. The negative difference arises from depreciation for the period for €/000 14,169, new investments for €/000 14,060 and the disposal of residual costs for €/000 4.
Capitalisation relates to moulds for new vehicles launched during the year or scheduled to be launched within the first half of the next year, moulds for new engines and specific equipment for assembly lines.
During the period, capitalisation of €/000 12,145 came into effect, of which €/000 5,807 related to investments made in previous years.

Other plant, property and equipment €/000 6,364

This item increased by a total of €/000 937. The positive difference is due to new investments made during the year for €/000 2,840 partially offset by depreciation for the period for €/000 1,896 and other movements for €/000 7.
During the period, capitalisation of €/000 3,156 came into effect, of which €/000 583 related to investments made in previous years.

Guarantees

As of 31 December 2024, the Company had no buildings encumbered by mortgages towards financing institutions to guarantee loans obtained in previous years.

16. Rights of Use

This note provides information on lease agreements.

Assets for rights of use €/000 12,509

The item 'Rights of Use' includes operating leases and finance leases for the use of real estate.
The Company has stipulated rental/hire contracts for offices, plants, warehouses, company accommodation, cars and forklift trucks.
The rental/lease agreements are typically for a fixed duration, but extension options are also possible. These agreements may also include service components.
The Company has decided to include only the rental component in the valuation of rights of use.
The rental/hire agreements do not have any covenants to be met, nor require guarantees to be provided in favour of the lessor.
The table below shows the breakdown of rights of use as of 31 December 2024, as well as changes during the period.

IN THOUSANDS OF EUROS	LAND	BUILDINGS	PLANT AND MACHINERY	EQUIPMENT	OTHER ASSETS	TOTAL
Number as of 31 12 2023	**0**	**5,331**	**6,419**	**0**	**2,263**	**14,013**
Increases		1,313			844	2,157
Depreciation		(1,637)	(856)		(1,009)	(3,502)
Decreases		(160)			0	(160)
Other changes			1			1
Movements 2024	**0**	**(484)**	**(855)**	**0**	**(165)**	**(1,504)**
Number as of 31 12 2024	**0**	**4,847**	**5,564**	**0**	**2,098**	**12,509**

Financial receivables from subsidiaries for rights of use €/000 434

The Company sublets part of a rented property to Piaggio Concept Store Mantova.

Financial liabilities for rights of use €/000 9,932

The composition of and changes in financial liabilities for rights of use are illustrated in Note 34 'Financial Liabilities for Rights of Use', to which reference is made.

Amounts recognised in the Income Statement

The income statement includes the following amounts in respect of lease agreements:

IN THOUSANDS OF EUROS	NOTE	2024	2023	CHANGE
Depreciation of rights of use	7	3,502	3,383	119
Financial costs for rights of use	12	801	464	337
Rental payments (no IFRS 16)	5	14,410	13,897	513

In 2024, lease agreements subject to the application of IFRS 16 resulted in a cash outflow of €/000 4,397.

17. Deferred tax assets €/000 46,415

In accordance with IAS 12, this item shows the net balance of deferred tax assets and liabilities. The composition of this net balance is shown in the table below:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF A1 DECEMBER 2023	CHANGE
Deferred tax assets	57,055	59,026	(1,971)
Deferred tax liabilities	(10,640)	(10,062)	(578)
Total	**46,415**	**48,964**	**(2,549)**

The balance of deferred tax assets as of 31 December 2024 refers to:
- €000 25,750 for allocations made on temporary changes;
- €/000 31,305 for allocations made for tax losses generated within the National Tax Consolidation scheme whose consolidating company is IMMSI S.p.A..

The negative change of €/000 1,971 generated during the year is attributable to:
- €/000 2,066 from the reversal to the income statement of deferred tax assets recognised in previous years;
- €/000 1,183 from the reversal to the statement of comprehensive income of deferred tax assets recognised in previous years;
- €/000 1,247 from the recognition of new deferred tax assets in the income statement;
- €/000 31 from the recognition of new deferred tax assets in the statement of comprehensive income.

The Company adheres to the national consolidated tax convention governed by Article 117 and following of the Consolidated Law on Income Tax (TUIR) as a consolidated company. Therefore, in accordance with the tax consolidation contract stipulated with the consolidating company IMMSI S.p.A., the recoverability of deferred tax assets was made on the basis of the Group's foreseeable taxable income, deducible from the consolidating company's long-term plans, as well as on the basis of the plan approved by the Board of Directors of Piaggio & C. S.p.A. on 26 February 2025.

The table below provides a breakdown of the items subject to deferred tax assets as well as the amount of deferred tax assets already recognised and those not recognised.

Overall, changes in deferred tax assets can be summarised as follows:

IN THOUSANDS OF EUROS	AMOUNT	TAX EFFECT 24%	TAX EFFECT 3.9%
Nacional Motor goodwill	7,364	1,767	287
Derbi trademark	3,225	774	126
Provisions for risks	10,470	2,513	406
Provision for product warranties	14,006	3,361	546
Provision for bad debts	17,990	4,318	
Provision for obsolete stock	26,392	6,334	1,029
Other changes	15,457	3,616	503
Total on provisions and other changes	**94,904**	**22,683**	**2,897**
2011 tax loss transferred to IMMSI	1,024	246	
2012 tax loss transferred to IMMSI	26,624	6,390	
2013 tax loss transferred to IMMSI	30,553	7,333	
2014 tax loss transferred to IMMSI	18,668	4,480	
2015 tax loss transferred to IMMSI	23,166	5,560	
2016 tax loss transferred to IMMSI	7,623	1,830	
2017 tax loss transferred to IMMSI	17,113	4,107	
2018 tax loss transferred to IMMSI	1,608	386	
2019 tax loss transferred to IMMSI	4,060	974	
Total on tax losses	**130,439**	**31,306**	**0**
Losses from the measurement of financial instruments at fair value		**169**	
Deferred taxes already recognised		**57,055**	
Unrecognised deferred tax assets and other changes		**0**	

IN THOUSANDS OF EUROS	VALUES AS OF 31 DECEMBER 2023	PORTION RELEASED TO THE INCOME STATEMENT	PORTION RELEASED TO THE STATEMENT OF COMPREHENSIVE INCOME	PORTION ALLOCATED TO THE INCOME STATEMENT	PORTION ALLOCATED TO THE STATEMENT OF COMPREHENSIVE INCOME	VALUES AS OF 31 DECEMBER 2024
DEFERRED TAX ASSETS FOR:						
Temporary changes	27,394	(1,740)	(1,183)	1,247	32	25,749
Losses generated in the context of tax consolidation	31,632	(326)				31,306
Total	**59,026**	**(2,066)**	**(1,183)**	**1,247**	**32**	**57,055**

As of 31 December 2024, deferred tax liabilities amounted to a total of €/000 10,640 compared to €/000 10,062 as of 31 December 2023, showing an increase of €/000 578 determined by new provisions for €/000 4,564, of which €/000 1,014 to the statement of comprehensive income, and by the release of the accrued portion for €/000 3,986, of which €/000 1,076 to the statement of comprehensive income.

They refer to:
- €/000 2,613 for the capital gain recognised by the merged company Aprilia in 2005 on buildings, already held under a lease, repurchased by Aprilia Leasing S.p.A.;
- €/000 974 for temporary changes in taxable income that will largely cancel themselves out in the next financial year;
- €/000 4,321 for future dividend distributions subject to foreign taxes;
- €/000 2,296 for amortisation charges deducted on goodwill and trademark values recognised for tax purposes;
- €/000 436 for costs deducted for tax purposes outside of accounting related to the application of IAS/IFRS.

Deferred tax assets and liabilities were determined by applying the tax rate in force in the year in which the temporary differences will reverse.

18. Inventories €/000 212,516

This item comprises:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Raw materials and consumables	108,477	114,097	(5,620)
Provision for write-down	(10,373)	(6,849)	(3,524)
Net value	*98,104*	*107,248*	*(9,144)*
Work in progress and semi-finished products	23,534	24,965	(1,431)
Provision for write-down	(1,674)	(1,933)	259
Net value	*21,860*	*23,032*	*(1,172)*
Finished products and goods	105,942	106,044	(102)
Provision for write-down	(14,344)	(15,537)	1,193
Net value	*91,598*	*90,507*	*1,091*
Advances	954	114	840
TOTAL	**212,516**	**220,901**	**(8,385)**

As of 31 December 2024, inventories showed a decrease of €/000 8,385.
The provision for write-down is calculated to align the value of inventories to their estimated realisable value, recognising obsolescence and slow rotation where necessary. The movements are summarised in the table below:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2023	USE	PROVISIONS	AS OF 31 DECEMBER 2024
Raw materials	6,849	(976)	4,500	10,373
Work in progress and semi-finished products	1,933	(259)	-	1,674
Finished products and goods	15,537	(4,206)	3,013	14,344
TOTAL	**24,319**	**(5,441)**	**7,513**	**26,391**

19. Trade receivables (current) €/000 47,278

Trade receivables included in current assets decreased by €/000 5,570.
In both periods under analysis, there were no trade receivables included in non-current assets.

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Receivables from customers	16,909	3,524	13,385
Trade receivables from subsidiaries	29,947	48,939	(18,992)
Trade receivables from associates	412	376	36
Trade receivables from parent companies	10	9	1
Total	**47,278**	**52,848**	**(5,570)**

Trade receivables are shown net of a provision for bad debts of €/000 22,811.
Trade receivables consist of receivables referring to normal sales transactions and include receivables in foreign currency for a total countervalue, at the exchange rate of 31 December 2024, taking into account existing hedges on exchange risks, of €/000 41,056.

The item "Receivables due from customers" includes invoices to be issued for €/000 2,003 relative to normal commercial transactions and credit notes to be issued for €/000 19,078 mainly relative to bonuses for achieving objectives to be paid to the sales network in Italy and abroad.
Receivables from customers are normally assigned to factoring companies and mostly on a non-recourse basis with early collection.
The Company sells, on a rotating basis, a large part of its trade receivables with and without recourse. The contractual structure that Piaggio has formalised with major Italian and foreign factoring companies is based on various objectives such as optimising, monitoring and managing credit, offering customers an instrument for financing their inventory and, as regards non-recourse factoring only, the substantial transfer of risks and benefits. As of 31 December 2024, trade receivables still due sold without recourse totalled €/000 112,214. Of these amounts, Piaggio received payment prior to natural expiry of €/000 111,315.

As of 31 December 2024, advance payments received from factoring companies and banks, for trade receivables sold with recourse totalled €/000 10,547 with a counter-entry recognised in current liabilities.
Changes in the provision for bad debts from customers were as follows:

IN THOUSANDS OF EUROS	
Opening balance as of 1 January 2024	**23,117**
Decreases due to use in the income statement	(1,199)
Increases for provisions	893
Closing balance as of 31 December 2024	**22,811**

During the reporting period, the provision for bad debts with customers was used to cover losses in the amount of €/000 1,199.
Provisions were made for risks arising from the measurement of the relevant receivables as of 31 December 2024.
Trade receivables from subsidiaries and associates refer to the supply of products at normal market conditions.

20. Other receivables (current and non-current) €/000 144,705

This item can be broken down as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024			AS OF 31 DECEMBER 2023			CHANGE		
	CURRENT	NON-CURRENT	TOTALS	CURRENT	NON-CURRENT	TOTALS	CURRENT	NON-CURRENT	TOTALS
From subsidiaries	68,856		68,856	97,832		97,832	(28,976)	-	(28,976)
From associates	681		681	604		604	77	-	77
From parent companies	42,105		42,105	30,422		30,422	11,683	-	11,683
Receivables from employees	1,633		1,633	1,615	2	1,617	18	(2)	16
Receivables from social security institutions	410		410	190		190	220	-	220
Supplier balances	451		451	356		356	95	-	95
Invoices and credits to be issued	1,403		1,403	2,800		2,800	(1,397)	-	(1,397)
Sundry receivables from third parties	2,106	6,391	8,497	2,204	6,391	8,595	(98)	-	(98)
Other receivables from affiliates	16		16			-	16	-	16
Fair value of derivatives	5,553	-	5,553	4,573	168	4,741	980	(168)	812
Other receivables	6,772	8,328	15,100	8,830	8,954	17,784	(2,058)	(626)	(2,684)
Total	**129,986**	**14,719**	**144,705**	**149,426**	**15,515**	**164,941**	**(19,440)**	**(796)**	**(20,236)**

Receivables from social security institutions essentially refer to receivables from INPS for contribution allowances.
The item "Other non-current receivables" mainly includes guarantee deposits for €/000 578 and deferred charges for €/000 7,748.
Receivables from employees refer to advances paid for travel, sickness and accidents, contractual advances, cash funds, etc.
Sundry receivables from third parties mainly refer to receivables from domestic and foreign entities originating from transactions unrelated to the core business.
Other current receivables are shown net of a provision for write-down of €/000 6,734.
Changes in the provision for sundry bad debts were as follows:

IN THOUSANDS OF EUROS	
Opening balance as of 1 January 2024	**6,608**
Decreases for use	(1)
Increases for provisions	127
Closing balance as of 31 December 2024	**6,734**

During the valuation of related receivables as of 31 December 2024, the need for an additional provision of €/000 128 arose.

21. Tax receivables (current and non-current) €/000 11,897

The composition of tax receivables is as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024			AS OF 31 DECEMBER 2023			CHANGE		
	CURRENT	NON-CURRENT	TOTALS	CURRENT	NON-CURRENT	TOTALS	CURRENT	NON-CURRENT	TOTALS
Tax receivables:									
- VAT	6,531	308	6,839	2,051	272	2,323	4,480	36	4,516
- income tax	682	292	974	36	465	501	646	(173)	473
- others	2,978	1,106	4,084	2,680	1,494	4,174	298	(388)	(90)
Total	**10,191**	**1,706**	**11,897**	**4,767**	**2,231**	**6,998**	**5,424**	**(525)**	**4,899**

Current tax receivables include an IRAP credit of €/000 646 offset against the related payable.

22. Breakdown of operating receivables by valuation methodology applied

The following table shows the breakdown of operating receivables by valuation methodology applied:

IN THOUSANDS OF EUROS	ASSETS AT FVPL	ASSETS AT FVOCI	FINANCIAL DERIVATIVES	ASSETS AT AMORTISED COST	TOTAL
OPERATING ASSETS AS OF 31 DECEMBER 2024					
Non-current assets					
Tax receivables				1,706	1,706
Other receivables			-	14,719	14,719
Total non-current operating receivables	**-**	**-**	**-**	**16,425**	**16,425**
Current assets					
Trade receivables				47,278	47,278
Other receivables			5,553	124,433	129,986
Tax receivables				10,191	10,191
Total current operating receivables	**-**	**-**	**5,553**	**181,902**	**187,455**
Total	**-**	**-**	**5,553**	**198,327**	**203,880**
OPERATING ASSETS AS OF 31 DECEMBER 2023					
Non-current assets					
Tax receivables				2,231	2,231
Other receivables			168	15,347	15,515
Total non-current operating receivables	**-**	**-**	**168**	**17,578**	**17,746**
Current assets					
Trade receivables				52,848	52,848
Other receivables			4,573	144,853	149,426
Tax receivables				4,767	4,767
Total current operating receivables	**-**	**-**	**4,573**	**202,468**	**207,041**
Total	**-**	**-**	**4,741**	**220,046**	**224,787**

23. Receivables due after 5 years €/000 0

As of 31 December 2024, there were no receivables due after 5 years.

24. Trade payables €/000 369,736

Trade payables are all included in current liabilities.

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
CURRENT LIABILITIES:			
Amounts due to suppliers	340,060	382,643	(42,583)
Trade payables to subsidiaries	24,450	20,474	3,976
Trade payables due to associates	5,052	6,027	(975)
Trade payables due to parent companies	174	326	(152)
Total	**369,736**	**409,470**	**(39,734)**

Amounts due to suppliers consist of payables arising from the purchase of materials, goods and services for business operations for €/000 312,849 and the purchase of fixed assets for €/000 27,211.
The item includes payables in foreign currency for a total countervalue, at the exchange rate of 31 December 2024, taking into account existing exchange risk hedges, of €/000 72,574.
To facilitate credit conditions for its suppliers, the Company has used some indirect factoring agreements, mainly supply chain financing and reverse factoring agreements since 2012. On the basis of existing contractual formats, the supplier has the option of assigning, at its own discretion, the receivables due from the Company to a bank, and of collecting the amount before maturity.
With factoring agreements, the average payment times indicated in the invoice are subject to an indicative additional 50 days of extension agreed between the supplier and the Company.
These operations have not changed the primary obligation or substantially changed payment terms, so their nature is the same and they are still exclusively classified as trade liabilities.
As of 31 December 2024 and 31 December 2023, the value of trade payables covered by reverse factoring or supply chain financing agreements was as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
TRADE PAYABLES PART OF FACTORING AGREEMENTS			
Of which Reverse factoring	147,987	170,833	(22,846)
Of which Supply Chain Financing	19,048	28,386	(9,338)
Total	**167,035**	**199,219**	**(32,184)**

25. Provisions (current and non-current portion) €/000 25,530

The breakdown of provisions for risks is as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024			AS OF 31 DECEMBER 2023			CHANGE		
	CURRENT	NON-CURRENT	TOTALS	CURRENT	NON-CURRENT	TOTALS	CURRENT	NON-CURRENT	TOTALS
Provision risks on investments	231	-	231	-	-	-	231	-	231
Provision for product warranties	9,804	4,202	14,006	9,705	4,159	13,864	99	43	142
Provisions for promotional expenses	51	-	51	6	-	6	45	-	45
Provision for prize competitions	19	-	19	19	-	19	0	-	0
Provision for contractual risks	-	8,750	8,750	-	8,000	8,000	-	750	750
Risk provision for legal disputes	-	1,720	1,720	500	1,720	2,220	(500)	-	(500)
Provision for environmental remediation	-	390	390	-	390	390	-	-	-
Provision for environmental certificates	363	-	363	486	-	486	(123)	-	(123)
Total	**10,468**	**15,062**	**25,530**	**10,716**	**14,269**	**24,985**	**(248)**	**793**	**545**

The provision for contractual risks essentially refers to costs that may arise from supply contracts.
The risk provision for legal disputes concerns labour litigation and other legal proceedings.
The product warranty provision refers to contingent liabilities related to the sale of products. The provision relates to allocations for technical assistance on products covered by customer service which are estimated to be provided over the contractually envisaged warranty period. This period varies according to the type of goods sold, the sales market and customer take-up to commit to a scheduled maintenance plan.
The warranty provision increased during the year by €/000 7,331 for new provisions and was used for expenses incurred related to sales in previous years for €/000 7,189.
The provision for ETS certificates refers to the provision made by the Company for the costs it will have to incur to purchase ETS certificates to be returned to the Authority by 30 September. For more details on the Emission Trading Directive (Directive 2003/87/EC), which has established the ETS certificate trading system, see Note 10 Other Operating Costs.
Changes in 2024 are shown below:

IN THOUSANDS OF EUROS	BALANCE AS OF 31 DECEMBER 2023	PROVISIONS	USES	BALANCE AS OF 31 DECEMBER 2024
Provisions for Risks				
Provision risks on investments	-	231		231
Provision for contractual risks	8,000	750	-	8,750
Risk provision for legal disputes	2,220	-	(500)	1,720
Total provisions for risks	*10,220*	*981*	*(500)*	*10,701*
Provisions for Expenses				
Provision for product warranties	13,864	7,331	(7,189)	14,006
Other Provisions	25	51	(6)	70
Provision for environmental remediation	390	-	-	390
Provision for environmental certificates and emission quotas	486	363	(486)	363
Total provisions for expenses	*14,765*	*7,745*	*(7,681)*	*14,829*
Total provisions for risks and charges	**24,985**	**8,726**	**(8,181)**	**25,530**

26. Retirement funds and employee benefits €/000 23,074

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Provisions for pensions	128	118	10
Termination benefits provision	22,946	23,416	(470)
Total	**23,074**	**23,534**	**(460)**

The provision for pensions mainly consists of the provision for agents' termination indemnity, representing the indemnities due to agents in the event of termination of the agency contract due to events not attributable to them. During the year, the above fund was increased by €/000 10 for indemnities accrued during the period.

Changes in the provision for termination benefits are as follows:

IN THOUSANDS OF EUROS	
Opening balance as of 1 January 2024	**23,416**
Cost for the period	8,653
Actuarial losses (gains) recognised under Shareholders' equity	152
Interest cost	701
Uses and Transfers to Retirement Funds	(9,974)
Other movements	(2)
Closing balance as of 31 December 2024	**22,946**

Economic-technical assumptions

The economic/technical assumptions used to discount the value are shown in the table below:

Technical annual discount rate	3.18%
Annual inflation rate	2.00%
Annual rate of increase in termination benefit	3.00%

As regards the discount rate, the Company used the iBoxx Corporates AA rating with a 7-10 duration as the valuation reference. If the iBoxx Corporates A rating with a 7-10 duration had been used, the value of actuarial losses and the provision as of 31 December 2024 would have been lower by €/000 386.

The following table shows, as of 31 December 2024, the effects in absolute terms that would have occurred as a result of changes in reasonably possible actuarial assumptions:

IN THOUSANDS OF EUROS	TERMINATION BENEFITS PROVISION
Turnover rate +2%	23,073
Turnover rate -2%	22,799
Inflation rate +0.25%	23,215
Inflation rate - 0.25%	22,680
Discount rate +0.50%	22,120
Discount rate -0.50%	23,818

The average financial duration of the bond is 8 years.

Estimated future amounts are equal to:

	IN THOUSANDS OF EUROS
YEAR	FUTURE AMOUNTS
1	1,654
2	1,502
3	737
4	1,704
5	2,194

27. Tax payables €/000 6,702

The composition of tax payables is as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Due for income tax for the year	1,853	3,190	(1,337)
Other tax payables for:			
- VAT	286	424	(138)
- Withholding taxes	4,529	4,266	263
- Tax payment notices and taxes to be paid	34	4	30
- Stamp duty paid virtually	-	236	(236)
Total other payables to tax authorities	*4,849*	*4,930*	*(81)*
Total	**6,702**	**8,120**	**(1,418)**

Income tax payables refer for €/000 1,853 to taxes payable abroad on income generated in 2024 mainly for royalties, technical consultancy and other services rendered to the subsidiaries Piaggio Vietnam and Piaggio Vehicles.
The IRAP payable is stated offset against related receivables. IRAP due for the year amounted to €/000 3,762.
Payables for withholding taxes refer to income from employment, self-employment and commissions.

28. Other payables (current and non-current) €/000 126,087

The composition of other payables is as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024			AS OF 31 DECEMBER 2023			CHANGE		
	CURRENT	NON-CURRENT	TOTALS	CURRENT	NON-CURRENT	TOTALS	CURRENT	NON-CURRENT	TOTALS
Payables to subsidiaries	12,118		12,118	9,932		9,932	2,186	-	2,186
Payables to associates	110		110	110		110	0	-	0
Payables to parent companies	52,449		52,449	42,169		42,169	10,280	-	10,280
Payables to employees	12,595		12,595	17,347		17,347	(4,752)	-	(4,752)
Payables to social security institutions	8,281		8,281	7,308		7,308	973	-	973
Payables to corporate bodies	104		104	798		798	(694)	-	(694)
Liabilities for non-final contributions	10,429		10,429	254		254	10,175	-	10,175
Payables for financial statement assessments	360		360	771		771	(411)	-	(411)
Customer balance	2,505		2,505	7,342		7,342	(4,837)	-	(4,837)
Payables from the measurement of financial instruments at fair value	2,105	105	2,210	5,927	52	5,979	(3,822)	53	(3,769)
Accrued expenses	8,275		8,275	6,515		6,515	1,760	-	1,760
Deferred income	3,880	7,681	11,561	7,494	3,052	10,546	(3,614)	4,629	1,015
Other payables	5,020	70	5,090	6,439	70	6,509	(1,419)	-	(1,419)
Total	**118,231**	**7,856**	**126,087**	**112,406**	**3,174**	**115,580**	**5,825**	**4,682**	**10,507**

Relative to the non-current portion:
- deferred income is made up of €/000 5,233 for grants to be recognised in the income statement in relation to depreciation, €/000 72 for royalties collected pertaining to years after 2024, €/000 2,344 for income related to the extension of vehicle warranties pertaining to years after 2024 and €/000 32 for income related to scheduled maintenance packages also pertaining to years after 2024;
- other payables of €/000 70 relate to a security deposit.

Relative to the current portion:
- payables to employees refer to accrued and untaken holidays for €/000 10,622 and other remuneration to be paid for €/000 1,973;
- The item payables for grants includes €/000 10,224 for the advance received from the Ministry of Enterprise and Made in Italy for the "E-Mobility" industrial development programme;
- customer balances essentially refer to bonuses paid for the achievement of targets that will be paid after year-end and from credit notes for returns;
- The item Fair Value of derivative instruments consists of hedging transactions accounted for in accordance with the cash flow hedge principle and is broken down as follows: the fair value of exchange rate risk hedging transactions on forecast transactions (€/000 2,019); the fair value of commodity hedging transactions (€/000 86).
- deferred income comprises €/000 2,053 for grants for research activities to be charged to the income statement in relation to depreciation, €/000 15 for commissions pertaining to future years, €/000 342 for royalties, €/000 1,449 for income related to the extension of vehicle warranties and €/000 21 for income related to scheduled maintenance packages;
- accrued expenses refer to €/000 4,244 for interest on loans, €/000 3,955 for interest on bonds, €/000 28 for interest on lease agreements and €/000 48 for other minor amounts;
- the item other payables is composed of €/000 5,020 for advances received.

29. Breakdown of operating payables by valuation methodology applied

The following table shows the breakdown of operating liabilities by valuation method applied:

IN THOUSANDS OF EUROS	DERIVATIVES AT FVPL	FINANCIAL DERIVATIVES	LIABILITIES AT AMORTISED COST	TOTAL
OPERATING LIABILITIES AS OF 31 DECEMBER 2024				
Non-current liabilities				
Other payables		105	7,751	7,856
Total non-current liabilities	**-**	**105**	**7,751**	**7,856**
Current liabilities				
Trade payables			369,736	369,736
Tax payables			6,702	6,702
Other payables	-	2,105	116,126	118,231
Total current liabilities	**-**	**2,105**	**492,564**	**494,669**
Total	**-**	**2,210**	**500,315**	**502,525**
OPERATING LIABILITIES AS OF 31 DECEMBER 2023				
Non-current liabilities				
Other payables		52	3,122	3,174
Total non-current liabilities	**-**	**52**	**3,122**	**3,174**
Current liabilities				
Trade payables			409,470	409,470
Tax payables			8,120	8,120
Other payables	-	5,926	106,480	112,406
Total current liabilities	**-**	**5,926**	**524,070**	**529,996**
Total	**-**	**5,978**	**527,192**	**533,170**

30. Payables due after 5 years

The Company has loans due in more than five years, details of which are provided in Note 34 'Financial liabilities and financial liabilities for rights of use'. With the exception of the above payables, no other long-term payables due after five years exist.


Vespa

D) INFORMATION ON FINANCIAL ASSETS AND LIABILITIES

This section provides information on the carrying amount of the financial assets and liabilities held and in particular:
- a description and specific information on the type of financial assets and liabilities outstanding;
- the accounting policies adopted;
- information about the determination of fair value, valuations and estimates made and uncertainties involved.

The Company holds the following financial assets and liabilities:

IN THOUSANDS OF EUROS	ASSETS AT FVPL	ASSETS AT FVOCI	FINANCIAL DERIVATIVES	ASSETS AT AMORTISED COST	TOTAL
FINANCIAL ASSETS AS OF 31 DECEMBER 2024					
Non-current assets					
Other financial assets	16			348	364
Total non-current assets	**16**	**-**	**-**	**348**	**364**
Current assets					
Other financial assets				21,381	21,381
Cash and cash equivalents				41,205	41,205
Total current assets	**-**	**-**	**-**	**62,586**	**62,586**
Total	**16**	**-**	**-**	**62,934**	**62,950**
FINANCIAL ASSETS AS OF 31 DECEMBER 2023					
Non-current assets					
Other financial assets	16			349	365
Total non-current assets	**16**	**-**	**-**	**349**	**365**
Current assets					
Other financial assets				22,003	22,003
Cash and cash equivalents				61,574	61,574
Total current assets	**-**	**-**	**-**	**83,577**	**83,577**
Total	**16**	**-**	**-**	**83,926**	**83,942**

IN THOUSANDS OF EUROS	DERIVATIVES AT FVPL	FAIR VALUE ADJUSTMENT	FINANCIAL DERIVATIVES	LIABILITIES AT AMORTISED COST	TOTAL
FINANCIAL LIABILITIES AS OF 31 DECEMBER 2024					
Non-current liabilities					
Bank loans				277,096	277,096
Bonds				246,387	246,387
Other loans				35	35
Liabilities for rights of use				5,871	5,871
Total non-current liabilities	**-**	**-**	**-**	**529,389**	**529,389**
Current liabilities					
Bank loans				63,300	63,300
Bonds		-		-	-
Other loans				10,794	10,794
Liabilities for rights of use				4,061	4,061
Total current liabilities	**-**	**-**	**-**	**78,155**	**78,155**
Total	**-**	**-**	**-**	**607,544**	**607,544**
FINANCIAL LIABILITIES AS OF 31 DECEMBER 2023					
Non-current liabilities					
Bank loans				221,048	221,048
Bonds				245,900	245,900
Other loans				105	105
Liabilities for rights of use				7,967	7,967
Total non-current liabilities	**-**	**-**	**-**	**475,020**	**475,020**
Current liabilities					
Bank loans				87,121	87,121
Other loans				7,999	7,999
Liabilities for rights of use				3,630	3,630
Total current liabilities	**-**	**-**	**-**	**98,750**	**98,750**
Total	**-**	**-**	**-**	**573,770**	**573,770**

31. Investments €/000 120,797

The item investments comprises:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Investments in subsidiaries	115,677	103,946	11,731
Investments in associates	5,120	6,063	(943)
Total	**120,797**	**110,009**	**10,788**

Changes for the period are shown in the table below:

IN THOUSANDS OF EUROS	CARRYING AMOUNT AS OF 31/12/2023	2024 RESULT	TRANSLATION RESERVE	IAS 19 DISCOUNT RESERVE	CORPORATE TRANSACTIONS: DECREASES FOR DIVIDEND DISTRIBUTION	CORPORATE TRANSACTIONS: CAPITALISATION/ CAPITAL REDUCTIONS	CARRYING AMOUNT AS OF 31/12/2024
SUBSIDIARIES							
Piaggio Vespa B.V.	20,543	12,845	895	(1)	(11,500)	704	23,486
Piaggio Vehicles Pvt Ltd	66,890	22,287	2,191	(507)	(19,912)		70,949
Nacional Motor	267	(85)					182
Piaggio Vietnam Co Ltd	5,152	20,220	(21)		(20,625)	3,004	7,730
Piaggio China Ltd	2,258	(453)	75			14	1,894
Aprilia Racing S.r.l.	830	733		(19)			1,544
Piaggio España S.L.	2,687	93	7				2,787
PT Piaggio Indonesia	2,065	545	140	7		(728)	2,029
Piaggio Advanced Design Centre	454	28	29				511
Piaggio Fast Forward Inc.	2,686	(16,363)	(509)			18,751	4,565
Piaggio Concept Store Mantova S.r.l.	114	(290)		(4)		180	0
Total subsidiaries	**103,946**	**39,560**	**2,807**	**(524)**	**(52,037)**	**21,925**	**115,677**
ASSOCIATES							
Zongshen Piaggio Foshan	5,869	(1,152)	195				4,912
Pontedera & Tecnologia S.c.a.r.l.	184	14					198
Immsi Audit S.C.A.R.L.	10						10
Total associates	**6,063**	**(1,138)**	**195**	**-**	**-**	**-**	**5,120**
Total Investments	**110,009**	**38,422**	**3,002**	**(524)**	**(52,037)**	**21,925**	**120,797**

Investments in subsidiaries — €/000 115,677

The corporate transactions that concerned investments in subsidiaries during the year are as follows:
- Piaggio Vespa B.V., recognition of dividends of €/000 11,500;
- Piaggio Vietnam, recognition of dividends of €/000 20,625;
- Piaggio Vehicles Pvt Ltd, recognition of dividends of €/000 19,912;
- Piaggio Vietnam, payment for future capital increase of €/000 3,004;
- Piaggio Fast Forward, conversion of a financial receivable into an equity reserve for €/000 18,751;
- Piaggio Concept Store Mantova S.r.l., payment to cover the loss for the year 2023 of €/000 180;
- Piaggio China, payment to cover the loss for the year 2023 of €/000 14.

Investments in associates — €/000 5,120

During the year, the value of investments in associates was adjusted to the corresponding shareholders' equity value.

32. Other financial assets (current and non-current) €/000 21,745

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024			AS OF 31 DECEMBER 2023			CHANGE		
	CURRENT	NON-CURRENT	TOTALS	CURRENT	NON-CURRENT	TOTALS	CURRENT	NON-CURRENT	TOTALS
Financial receivables from subsidiaries	21,295	-	21,295	21,936	-	21,936	(641)	-	(641)
Financial receivables from subsidiaries for rights of use	86	348	434	67	349	416	19	(1)	18
Investments in other companies	-	16	16	-	16	16	-	-	-
Total	**21,381**	**364**	**21,745**	**22,003**	**365**	**22,368**	**(622)**	**(1)**	**(623)**

The item Other current financial assets comprises financial receivables due from the subsidiary Aprilia Racing for €/000 21,295 and Piaggio Concept Store Mantova for €/000 434.
The table below provides a breakdown of investments in other companies:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
OTHER COMPANIES:			
A.N.C.M.A. – Rome	2	2	0
ECOFOR SERVICE S.p.A. – Pontedera	2	2	0
Consorzio Fiat Media Center – Turin	3	3	0
IVM	9	9	0
Total other companies	**16**	**16**	**0**

33. Cash and cash equivalents €/000 41,205

The item mainly includes ultra short-term and on demand bank deposits.

The composition of cash and cash equivalents is as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Bank and postal deposits	41,183	61,547	(20,364)
Cash on hand	22	27	(5)
Total	**41,205**	**61,574**	**(20,369)**

Reconciliation of cash and cash equivalents recognised in the statement of financial position as assets with cash and cash equivalents recognised in the Statement of Cash Flows

The table below reconciles the amount of cash and cash equivalents above with cash and cash equivalents recognised in the Cash Flow Statement.

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Cash and cash equivalents	41,205	61,574	(20,369)
Current account overdrafts	(1,442)	(2,543)	1,101
Closing balance	**39,763**	**59,031**	**(19,268)**

34. Financial liabilities and financial liabilities for rights of use (current and non-current) €/000 607,544

During 2024, total debt increased by €/000 33,774. Net of the change in financial liabilities for rights of use, total financial debt increased by €/000 35,439 as of 31 December 2024.

IN THOUSANDS OF EUROS	FINANCIAL LIABILITIES AS OF 31 DECEMBER 2024			FINANCIAL LIABILITIES AS OF 31 DECEMBER 2023			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Financial liabilities	74,094	523,518	597,612	95,120	467,053	562,173	(21,026)	56,465	35,439
Financial liabilities for rights of use	4,061	5,871	9,932	3,630	7,967	11,597	431	(2,096)	(1,665)
Total	**78,155**	**529,389**	**607,544**	**98,750**	**475,020**	**573,770**	**(20,595)**	**54,369**	**33,774**

The composition of "Total financial indebtedness" as of 31 December 2024, prepared in accordance with paragraph 175 and following of ESMA Recommendations 2021/32/382/1138, is set out below.

Net financial position (or Net financial debt)[102]

IN THOUSANDS OF EUROS		AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
A	**Cash**	**41,205**	**61,574**	**(20,369)**
B	**Cash equivalents**			
C	**Other current financial assets**	**21,381**	**22,003**	**(622)**
	Short-term financial receivables from subsidiaries	21,295	21,936	(641)
	Short-term financial receivables from subsidiaries for rights of use	86	67	19
D	**Liquidity (A + B + C)**	**62,586**	**83,577**	**(20,991)**
E	**Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)**	**(34,297)**	**(32,172)**	**(2,125)**
	Current account overdrafts	(1,442)	(2,543)	1,101
	Payables due to banks	(18,000)	(18,000)	0
	Amounts due to factoring companies	(10,547)	(7,647)	(2,900)
	Financial liabilities for rights of use	(4,061)	(3,630)	(431)
	- of which finance leases	*(1,275)*	*(1,200)*	*(75)*
	- of which operating leases	*(2,786)*	*(2,430)*	*(356)*
	Current portion of payables due to other lenders	(71)	(71)	0
	Financial payables to subsidiaries	(176)	(281)	105
F	**Current portion of non-current financial debt**	**(43,858)**	**(66,578)**	**22,720**
G	**Current financial indebtedness (E + F)**	**(78,155)**	**(98,750)**	**20,595**
H	**Net current financial indebtedness (G - D)**	**(15,569)**	**(15,173)**	**(396)**
I	**Non-current financial debt (excluding current portion and debt instruments)**	**(283,002)**	**(229,120)**	**(53,882)**
	Medium-/long-term bank loans	(277,096)	(221,048)	(56,048)
	Financial liabilities for rights of use	(5,871)	(7,967)	2,096
	- of which finance leases	*(790)*	*(2,065)*	*1,275*
	- of which operating leases	*(5,081)*	*(5,902)*	*821*
	Amounts due to other lenders	(35)	(105)	70
J	**Debt instruments**	**(246,387)**	**(245,900)**	**(487)**
K	**Non-current trade and other payables**			
L	**Non-current financial indebtedness (I + J + K)**	**(529,389)**	**(475,020)**	**(54,369)**
M	**Total financial indebtedness (H + L)**	**(544,958)**	**(490,193)**	**(54,765)**

As regards indirect factoring, please refer to the comment in Note 24 "Trade payables".

102 The indicator does not include financial assets and liabilities originated from fair value measurement, designated hedging and non-hedging derivative financial instruments, the fair value adjustment of the related hedged items, in any case amounting to €/000 0 as of 31 December 2023 and 2024, and related accruals.

The following tables analyse changes in the Net financial position (or Net financial debt) in the two years under comparison.

IN THOUSANDS OF EUROS		BALANCE AS OF 31.12.2022	CASH FLOWS			RECLASSI-FICATIONS	EXCHANGE DELTA	OTHER CHANGES	BALANCE AS OF 31.12.2023
			MOVE-MENTS	REPAYMEN-TS	NEW ISSUES				
A	**Cash**	**79,447**	**(17,688)**				**(185)**		**61,574**
B	**Cash equivalents**								
C	**Other current financial assets**	**27,195**		**(76)**	**20,519**	**65**	**(584)**	**(25,116)**	**22,003**
	Short-term financial receivables from subsidiaries	27,121			20,519		(584)	(25,120)	21,936
	Short-term financial receivables from subsidiaries for rights of use	74		(76)		65		4	67
D	**Liquidity (A + B + C)**	**106,642**	**(17,688)**	**(76)**	**20,519**	**65**	**(769)**	**(25,116)**	**83,577**
E	**Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)**	**(15,853)**		**16,211**	**(28,191)**	**(4,067)**		**(272)**	**(32,172)**
	Current account overdrafts	(64)		64	(2,543)				(2,543)
	Payables due to banks				(18,000)				(18,000)
	Amounts due to factoring companies	(12,040)		12,040	(7,647)				(7,647)
	Liabilities for rights of use:	(3,303)		3,941		(3,996)		(272)	(3,630)
	- of which payables for finance leases	*(1,180)*		*1,161*		*(1,180)*		*(1)*	*(1,200)*
	- of which payables for operating leases	*(981)*		*1,571*		*(1,709)*		*(208)*	*(1,327)*
	- of which operating lease payables to Parent Companies	*(1,142)*		*1,209*		*(1,107)*		*(63)*	*(1,103)*
	Amounts due to other lenders	(71)		71		(71)			(71)
	Financial payables to subsidiaries	(375)		95	(1)				(281)
F	**Current portion of non-current financial debt**	**(48,602)**		**48,685**		**(66,578)**		**(83)**	**(66,578)**
G	**Current financial indebtedness (E + F)**	**(64,455)**		**64,896**	**(28,191)**	**(70,645)**		**(355)**	**(98,750)**
H	**Net current financial indebtedness (G - D)**	**42,187**	**(17,688)**	**64,820**	**(7,672)**	**(70,580)**	**(769)**	**(25,471)**	**(15,173)**
I	**Non-current financial debt (excluding current portion and debt instruments)**	**(269,462)**		**2,000**	**(33,615)**	**70,645**		**1,312**	**(229,120)**
	Medium-/long-term bank loans	(264,878)		2,000	(26,000)	66,578		1,252	(221,048)
	Liabilities for rights of use:	(4,408)			(7,615)	3,996		60	(7,967)
	- of which payables for finance leases	*(3,246)*				*1,180*		*1*	*(2,065)*
	- of which payables for operating leases	*(517)*			*(3,001)*	*1,709*		*59*	*(1,750)*
	- of which operating lease payables to Parent Companies	*(645)*			*(4,614)*	*1,107*			*(4,152)*
	Amounts due to other lenders	(176)				71			(105)
J	**Debt instruments**	**(245,736)**		**250,000**	**(250,000)**			**(164)**	**(245,900)**
K	**Non-current trade and other payables**								
L	**Non-current financial indebtedness (I + J + K)**	**(515,198)**		**252,000**	**(283,615)**	**70,645**		**1,148**	**(475,020)**
M	**Total financial indebtedness (H + L)**	**(473,011)**	**(17,688)**	**316,820**	**(291,287)**	**65**	**(769)**	**(24,323)**	**(490,193)**

IN THOUSANDS OF EUROS			CASH FLOWS						
		BALANCE AS OF 31.12.2023	MOVE-MENTS	REPAY-MENTS	NEW ISSUES	RECLASSI-FICATIONS	EXCHANGE DELTA	OTHER CHANGES	BALANCE AS OF 31.12.2024
A	**Cash**	**61,574**	**(20,425)**				**56**		**41,205**
B	**Cash equivalents**								
C	**Other current financial assets**	**22,003**		**(98)**	**17,652**	**78**	**459**	**(18,713)**	**21,381**
	Short-term financial receivables from subsidiaries	21,936			17,652		459	(18,752)	21,295
	Short-term financial receivables from subsidiaries for rights of use	67		(98)		78		39	86
D	**Liquidity (A + B + C)**	**83,577**	**(20,425)**	**(98)**	**17,652**	**78**	**515**	**(18,713)**	**62,586**
E	**Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)**	**(32,172)**		**14,763**	**(11,990)**	**(4,245)**		**(653)**	**(34,297)**
	Current account overdrafts	(2,543)		2,543	(1,442)				(1,442)
	Payables due to banks	(18,000)							(18,000)
	Amounts due to factoring companies	(7,647)		7,647	(10,547)				(10,547)
	Liabilities for rights of use:	(3,630)		4,397		(4,174)		(654)	(4,061)
	- of which payables for finance leases	*(1,200)*		*1,202*		*(1,276)*		*(1)*	*(1,275)*
	- of which payables for operating leases	*(1,327)*		*1,755*		*(1,675)*		*(220)*	*(1,467)*
	- of which operating lease payables to Parent Companies	*(1,103)*		*1,440*		*(1,223)*		*(433)*	*(1,319)*
	Amounts due to other lenders	(71)		71		(71)			(71)
	Financial payables to subsidiaries	(281)		105	(1)			1	(176)
F	**Current portion of non-current financial debt**	**(66,578)**		**69,300**		**(46,458)**		**(122)**	**(43,858)**
G	**Current financial indebtedness (E + F)**	**(98,750)**		**84,063**	**(11,990)**	**(50,703)**		**(775)**	**(78,155)**
H	**Net current financial indebtedness (G - D)**	**(15,173)**	**(20,425)**	**83,965**	**5,662**	**(50,625)**	**515**	**(19,488)**	**(15,569)**
I	**Non-current financial debt (excluding current portion and debt instruments)**	**(229,120)**			**(104,235)**	**50,703**		**(350)**	**(283,002)**
	Medium-/long-term bank loans	(221,048)			(102,000)	46,458		(506)	(277,096)
	Liabilities for rights of use:	(7,967)			(2,235)	4,174		157	(5,871)
	- of which payables for finance leases	*(2,065)*				*1,276*		*(1)*	*(790)*
	- of which payables for operating leases	*(1,750)*			*(1,340)*	*1,675*		*159*	*(1,256)*
	- of which operating lease payables to Parent Companies	*(4,152)*			*(895)*	*1,223*		*(1)*	*(3,825)*
	Amounts due to other lenders	(105)				71		(1)	(35)
J	**Debt instruments**	**(245,900)**						**(487)**	**(246,387)**
K	**Non-current trade and other payables**								
L	**Non-current financial indebtedness (I + J + K)**	**(475,020)**			**(104,235)**	**50,703**		**(837)**	**(529,389)**
M	**Total financial indebtedness (H + L)**	**(490,193)**	**(20,425)**	**83,965**	**(98,573)**	**78**	**515**	**(20,325)**	**(544,958)**

Financial liabilities €/000 597,612

Financial liabilities are broken down as follows:

IN THOUSANDS OF EUROS	ACCOUNTING BALANCE		NOMINAL VALUE	
	AS OF 31.12.2024	AS OF 31.12.2023	AS OF 31.12.2024	AS OF 31.12.2023
Bank loans	340,396	308,169	340,287	310,687
Bonds	246,387	245,900	250,000	250,000
Other loans	10,829	8,104	10,830	8,104
Total	**597,612**	**562,173**	**601,117**	**568,791**

IN THOUSANDS OF EUROS	ACCOUNTING BALANCE AS OF 31.12.2024	ACCOUNTING BALANCE AS OF 31.12.2023	CHANGE
Current financial debt	74,094	95,120	(21,026)
Non-current financial debt	523,518	467,053	56,465
Net financial debt	**597,612**	**562,173**	**35,439**
Fixed-rate gross debt	409,379	387,050	22,329
Variable-rate gross debt	188,233	175,123	13,110
Net financial debt	**597,612**	**562,173**	**35,439**

The following table shows the repayment schedule as of 31 December 2024:

IN THOUSANDS OF EUROS	NOMINAL VALUE AS OF 31.12.2024	AMOUNTS FALLING DUE WITHIN 12 MONTHS	AMOUNTS FALLING DUE AFTER 12 MONTHS	AMOUNTS FALLING DUE IN				
				2026	2027	2028	2029	AFTER
Bank loans	340,287	63,357	276,930	92,763	78,938	33,771	37,172	34,286
Bonds	250,000	-	250,000	-	-	-	-	250,000
Other medium- to long-term loans	10,829	10,794	35	35	-	-	-	-
Total	**601,116**	**73,904**	**526,965**	**92,798**	**78,938**	**33,771**	**37,172**	**284,286**

Medium and long-term bank debt amounts to €/000 320,954 (of which €/000 277,096 non-current and €/000 43,858 current) and consists of the following loans:

- a €/000 34,969 (nominal value €/000 35,000) medium-term loan granted by the European Investment Bank to support Research and Development projects of investment plans, scheduled for the Piaggio Group's Italian sites in the 2019-2021 period. The loan will mature in February 2027 and has a repayment schedule of 6 fixed-rate annual instalments. Contract terms require covenants (described below);
- a €/000 20,000 medium-term loan granted by the European Investment Bank to support Research and Development projects of investment plans, scheduled for the Piaggio Group's Italian sites in the 2019-2021 period. The loan will mature in March 2028 and has a repayment schedule of 6 fixed-rate annual instalments. Contract terms require covenants (described below);
- a €/000 59,922 medium-term loan (nominal value €/000 60,000) granted by the European Investment Bank to support Research and Development activities in applied technologies for electric vehicles for the period 2022-2025. The loan will expire in January 2033 and provides for an amortisation plan in seven annual fixed-rate instalments with a two-year grace period;
- €/000 3,728 (with a nominal value of €/000 5,000) for use of the syndicated revolving loan facility for a total of €/000 200,000 maturing on 15 November 2027 (with a one-year extension at the discretion of the borrower). Contract terms require covenants (described below);
- a €/000 86,671 (nominal value of €/000 87,000) 'Schuldschein' loan issued between October 2021 and February 2022 and subscribed by leading market participants. It consists of 7 tranches with 5- and 7-year maturities at fixed and floating rates and a final maturity in February 2029;
- a €/000 13,449 medium-term loan (nominal value of €/000 13,500) granted by Banca Popolare Emilia Romagna. The loan will fall due on 31 December 2027 and has a repayment schedule of six-monthly instalments. Contract terms require covenants (described below);

- a €/000 6,653 loan (nominal value of €/000 6,667) granted by Banco BPM with a repayment schedule of six-monthly instalments and last payment in July 2025. An Interest Rate Swap has been taken out on this loan to hedge the interest rate risk. Contract terms require covenants (described below);
- a €/000 13,333 medium-term loan granted by Cassa Depositi e Prestiti to support international growth in India and Indonesia. The loan has a duration of 5 years expiring on 30 August 2026. It entails a repayment plan with six-monthly instalments and a 12-month grace period. Contract terms require covenants (described below);
- a €/000 23,366 medium-term loan (nominal value €/000 23,400) granted by Cassa Depositi e Prestiti to support Research and Development activities in applied technologies for electric vehicles for the period 2022-2025. The loan has a repayment amortisation with six-monthly instalments and matures on 30 April 2029;
- a €/000 1,494 medium-term loan (nominal value of €/000 1,500) granted by Banca Popolare di Sondrio, maturing on 1 June 2026 and with a quarterly repayment schedule;
- a €/000 2,996 medium-term loan (nominal value of €/000 3,000) granted by Cassa di Risparmio di Bolzano, maturing on 30 June 2026 and with a quarterly repayment schedule. Contract terms require covenants (described below);
- a €/000 2,443 medium-term loan (nominal value of €/000 2,445) granted by Banca Popolare Emilia Romagna - formerly Banca Carige, maturing on 31 December 2026 and with a quarterly repayment schedule;
- a €/000 14,986 (with a nominal value of €/000 15,000) medium-term loan granted by Oldenburgische Landensbank Aktiengesellschaft with on-time maturity on 30 September 2027. Contract terms require covenants (described below);
- a €/000 11,000 medium-term loan granted by Oldenburgische Landensbank Aktiengesellschaft with one-time maturity on 31 December 2029. Contract terms require covenants (described below);
- a €/000 23,944 medium-term loan (with a nominal value of €/000 24,000) granted by Banca Nazionale del Lavoro with one-time maturity on 5 January 2027. Contract terms require covenants (described below). An Interest Rate Swap has been taken out on this loan to hedge the interest rate risk;
- a €/000 2,000 revolving loan facility granted by Banca del Mezzogiorno for a total of €/000 20,000 maturing in July 2029. Contract terms require covenants (described below).

The Company also has the following revolving credit lines and loans undrawn as of 31 December 2024:
- a €/000 40,000 revolving credit line granted by Credit Agricole maturing on 15 November 2027 (with a one-year extension at the borrower's discretion);
- a €/000 12,500 revolving loan facility granted by Banca Popolare dell'Emilia Romagna maturing on 2 August 2026.

All the above financial liabilities are unsecured.

The item 'Bonds' amounted to €/000 246,387 (nominal value of €/000 250,000) related to a high-yield debenture loan issued on 5 October 2023 for €/000 250,000, maturing on 5 October 2030 and with a semi-annual coupon with fixed annual nominal rate of 6.50%.
Standard & Poor's and Moody's assigned a BB- rating with a stable outlook and a Ba3 rating with a stable outlook respectively.
It should be noted that the Company may repay in advance all or part of the High Yield bond issued on 5 October 2023 on the terms specified in the indenture. The value of prepayment options was not deducted from the original contract, as these are considered as being closely related to the host instrument, as provided for by IFRS 9 b4.3.5.

Financial advances received from factoring companies and banks, on the sale of trade receivables with recourse, totalled €/000 10,547.

Medium/long-term payables to other lenders equal to €/000 106 of which €/000 35 maturing after the year and €/000 71 as the current portion refer to a loan from the Region of Tuscany, pursuant to regulations on incentives for investments in research and development.

Covenants

In line with market practices for borrowers with a similar credit rating, main loan contracts require compliance with:
1. financial covenants, on the basis of which the company undertakes to comply with certain levels of contractually defined financial indices, with the most significant comprising the ratio of net financial debt/gross operating margin (EBITDA), measured on the consolidated perimeter of the Group, according to definitions agreed on with lenders;
2. negative pledges according to which the company may not establish collaterals or other constraints on company assets;
3. 'pari passu' clauses, on the basis of which the loans will have the same repayment priority as other financial liabilities, and change of control clauses, which are effective if the majority shareholder loses control of the company;
4. limitations on the extraordinary operations the company may carry out.

The measurement of financial covenants and other contractual commitments is constantly monitored by the Company.
The high yield debenture loan issued by the Company in October 2023 provides for compliance with covenants which are typical of international practice on the high yield market. In particular, the company must observe the EBITDA/Net financial borrowing costs index, based on the threshold established in the Prospectus, to increase financial debt defined during issue. In addition, the Prospectus includes some obligations for the issuer, which limit, inter alia, the capacity to:
1. pay dividends or distribute capital;
2. make some payments;
3. grant collaterals for loans;
4. merge with or establish some companies;
5. sell or transfer own assets.

Failure to comply with the covenants and other contract commitments of the loan and debenture loan, if not remedied in agreed times, may give rise to an obligation for the early repayment of the outstanding amount of the loan.

It should be noted that as of 31 December 2024 all covenants had been fully complied with.

Amortised Cost and Fair Value Measurement

All financial liabilities are recognised in accordance with accounting standards using the amortised cost method (with the exception of liabilities on which hedging derivatives are measured at Fair Value Through Profit & Loss, for which the same valuation criteria apply as for the derivative). According to this criterion, the nominal amount of the liability is reduced by the amount of the related issue and/or stipulation costs, as well as any costs associated with the refinancing of previous liabilities. The amortisation of these costs is determined on an effective interest rate basis, and namely the rate which discounts the future flows of interest payable and reimbursements of principle at the net carrying amount of the financial liability.
IFRS 13 – Fair Value Measurement defines fair value on the basis of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In the absence of an active market or market that does not operate regularly, fair value is measured by valuation techniques. The standard defines a fair value hierarchy:

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

The valuation techniques referred to levels 2 and 3 must take into account adjustment factors that measure the risk of insolvency of both parties. To this end, the standard introduces the concepts of Credit Value Adjustment (CVA) and Debit Value Adjustment (DVA): CVA allows the counterparty credit risk to be included in the determination of fair value; the DVA reflects the Company's insolvency risk.

The table below, which does not include tranches maturing within 18 months, shows the fair value of payables measured using the amortised cost method as of 31 December 2024:

IN THOUSANDS OF EUROS	NOMINAL VALUE	CARRYING AMOUNT	FAIR VALUE [103]
High yield debenture loan	250,000	246,387	268,128
EIB RDI	35,000	34,969	34,707
EIB RDI step up	20,000	20,000	14,891
BEI e-mobility	60,000	59,922	65,715
RCF Pool	5,000	3,728	5,305
Loan from B. Pop. Emilia Romagna	13,500	13,449	11,450
Loan from CDP	13,333	13,333	10,179
CDP e-mobility financing	23,400	23,366	24,479
Loan from BNL	24,000	23,944	24,204
Loan from the former Banca CARIGE	2,445	2,443	2,420
2027 loan from OLB	15,000	14,986	15,788
2029 loan from OLB	11,000	11,000	12,028
Banca del Mezzogiorno RCF	2,000	2,000	2,129
Schuldschein loans	87,000	86,671	90,937

For liabilities due within 18 months, the carrying amount is basically considered the same as the fair value.

Fair value hierarchy

The following table shows the assets and liabilities that are measured and recognised at fair value as of 31 December 2024, by fair value hierarchy level.

IN THOUSANDS OF EUROS	LEVEL 1	LEVEL 2	LEVEL 3
ASSETS MEASURED AT FAIR VALUE			
Financial derivatives			
- of which other receivables		*5,553*	
Investments in other companies			16
Total assets		**5,553**	**16**
LIABILITIES MEASURED AT FAIR VALUE			
Financial derivatives			
- of which other payables		*(2,210)*	
Total liabilities		**(2,210)**	
General total	**-**	**3,343**	**16**

The following table shows the changes in Level 2 and Level 3 during 2024:

IN THOUSANDS OF EUROS	LEVEL 2	LEVEL 3
Balance as of 31 December 2023	**(1,238)**	**16**
Gain (loss) recognised in profit or loss	-	
Gain (loss) recognised in the statement of comprehensive income	4,581	
Increases/(Decreases)	-	
Balance as of 31 December 2024	**3,343**	**16**

Financial liabilities for rights of use €/000 9,932

As required by IFRS 16, financial liabilities for rights of use include financial lease liabilities as well as payments due on operating lease agreements.

103 The value deducts DVA related to the issuer, i.e. it includes the risk of insolvency of Piaggio.

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024			AS OF 31 DECEMBER 2023			CHANGE		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Operating leases	2,786	5,081	7,867	2,430	5,902	8,332	356	(821)	(465)
Finance leases	1,275	790	2,065	1,200	2,065	3,265	75	(1,275)	(1,200)
Total	**4,061**	**5,871**	**9,932**	**3,630**	**7,967**	**11,597**	**431**	**(2,096)**	**(1,665)**

Operating lease liabilities include payables to the parent companies Immsi and Omniaholding for €/000 5,144 (€/000 3,825 non-current portion).
Finance lease payables amount to €/000 2,065 (nominal value of €/000 2,067) and refer to a Sale&Lease back agreement on a production plant granted by Albaleasing. The loan matures in August 2026 and envisages quarterly repayments (non-current portion equal to €/000 790).

The following table shows the repayment schedule as of 31 December 2024:

IN THOUSANDS OF EUROS	CARRYING AMOUNT AS OF 31.12.2024	AMOUNTS FALLING DUE WITHIN 12 MONTHS	AMOUNTS FALLING DUE AFTER 12 MONTHS	AMOUNTS FALLING DUE IN				
				2026	2027	2028	2029	AFTER
Rights of use								
- of which from operating leases	7,867	2,786	5,081	1,636	1,398	1,080	967	-
- of which from finance leases	2,065	1,275	790	790	-			
Total	**9,932**	**4,061**	**5,871**	**2,426**	**1,398**	**1,080**	**967**	**-**

E) FINANCIAL RISK MANAGEMENT

This section describes the financial risks to which the Company is exposed and how these might affect future results.

35. Credit risk

The Company considers its exposure to credit risk to be as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023
Liquid assets	41,183	61,457
Financial receivables	21,745	22,368
Trade receivables	47,278	52,848
Tax receivables	11,897	6,998
Other receivables	144,705	164,941
Total	**266,808**	**308,702**

The Company monitors and manages credit centrally by using established policies and guidelines. The portfolio of trade receivables shows no signs of concentrated credit risk in light of the broad distribution of our licensee or distributor network. In addition, most trade receivables are short-term. To optimise credit management, the Company has established revolving programmes with some primary factoring companies for selling its trade receivables without recourse.

36. Financial risks

The financial risks to which the Company is exposed are Liquidity Risk, Exchange Risk, Interest Rate Risk and Credit Risk.
The management of these risks, in order to reduce management costs and dedicated resources, is centralised and treasury operations take place in accordance with formal policies and guidelines which are applicable to all Group companies.

Liquidity risk and capital management

The liquidity risk arises from the possibility that available financial resources are not sufficient to cover, in due times and procedures, future payments arising from financial and/or commercial obligations. To deal with these risks, cash flows and the Company's credit line needs are monitored or managed centrally under the control of its Treasury Department in order to guarantee an effective and efficient management of the financial resources as well as optimise the debt's maturity standpoint.
In addition, the Company finances the temporary cash requirements of subsidiaries by providing direct short-term loans regulated in market conditions or guarantees. A cash pooling zero balance system is used between the Company and European subsidiaries to reset the receivable and payable balances of subsidiaries on a daily basis, for a more effective and efficient management of liquidity in the euro area.
As of 31 December 2024, the most important sources of irrevocable financing to maturity granted to the Company included:
- a debenture loan of €/000 250,000 maturing in October 2030;
- a Schuldschein loan of €/000 87,000, with final settlement in February 2029;
- a €/000 200,000 revolving loan facility maturing in November 2027;
- revolving credit facilities for a total of €/000 72,500, with final settlement in August 2029;
- loans for a total of €/000 228,845, with final settlement in January 2033.

As of 31 December 2024, the Company had a liquidity of €/000 41,205, undrawn irrevocable credit lines of €/000 265,500 and revocable credit lines of €/000 87,795, as detailed below:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023
Variable rate with maturity after one year - irrevocable until maturity	265,500	280,500
Variable rate with maturity within one year - cash revocable	87,795	72,334
Total	**353,295**	**352,834**

The following table shows the timing of expected future outgoings for trade payables:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	WITHIN 30 DAYS	BETWEEN 31 AND 60 DAYS	BETWEEN 61 AND 90 DAYS	OVER 90 DAYS
Amounts due to suppliers	340,060	183,777	77,245	30,339	48,699
Trade payables to subsidiaries	24,450	15,806	8,644	-	-
Trade payables to associates	5,052	3,294	1,265	165	328
Trade payables to parent companies	174	154	20	-	-
Total trade payables	**369,736**	**203,031**	**87,174**	**30,504**	**49,027**

Management believes that the funds currently available, in addition to those that will be generated by operating and financing activities, will allow the Company to meet its needs arising from investment activities, working capital management and the repayment of debts at their natural due dates, and will ensure an adequate level of operational and strategic flexibility.

Exchange risk

The Company operates in an international context where transactions are conducted in currencies different from the Euro. This exposes the Group to risks arising from exchange rates fluctuations. For this purpose, the Company has an exchange rate risk management policy which aims to neutralise the possible negative effects of the changes in exchange rates on company cash flows.
This policy analyses:

- **settlement exchange risk:** the policy wholly covers this risk which arises from differences between the recognition exchange rate of receivables or payables in foreign currency in the financial statements and the recognition exchange rate of actual collection or payment. To cover this type of exchange risk, the exposure is naturally offset in the first place (netting between sales and purchases in the same currency) and if necessary, by signing currency future derivatives, as well as advances of receivables denominated in currency;
- **economic exchange rate risk:** arises from changes in company profitability in relation to annual figures planned in the economic budget on the basis of a reference change (the "budget change") and is covered by derivatives. The items of these hedging operations are therefore represented by foreign costs and revenues forecast by the sales and purchases budget. The total of forecast costs and revenues is processed monthly and associated hedging is positioned exactly on the average weighted date of the economic event, recalculated based on historical criteria. The economic occurrence of future receivables and payables will occur during the budget year.

At the end of the reporting period, the Company's exposure to exchange risk was as follows:

AS OF 31 DECEMBER 2024	USD	GBP	CHF	CNY	DKK	SGD	CAD	SEK	HKD	IDR	INR	JPY	RMB	PLZ	VND	TOTAL
IN THOUSANDS OF EUROS																
Non-current assets																
Trade and other receivables	14,434	(435)		6,856							(68)	319				21,106
Long-term tax receivables											283					283
Total non-current assets	**14,434**	**(435)**	**0**	**6,856**	**0**	**0**	**0**	**0**	**0**	**0**	**215**	**319**	**0**	**0**	**0**	**21,389**
Current assets																
Trade and other receivables	9,912	64		1,851						240	7,355	23			21,611	41,056
Bank and postal deposits	1,628	157		142		3	12	57				175	0			2,174
Total current assets	**11,540**	**221**	**0**	**1,993**	**0**	**3**	**12**	**57**	**0**	**240**	**7,355**	**198**	**0**	**0**	**21,611**	**43,230**
Total assets	**25,974**	**(214)**	**0**	**8,849**	**0**	**3**	**12**	**57**	**0**	**240**	**7,570**	**517**	**0**	**0**	**21,611**	**64,619**
Current liabilities																
Trade and other payables	(42,440)	(1,028)	(23)	(22,866)				(86)	(4)		(3,578)	(2,548)		(1)		(72,574)
Tax payables	(812)	(271)		(54)							(1,534)		(20)		(1,207)	(3,898)
Total current liabilities	**(43,252)**	**(1,299)**	**(23)**	**(22,920)**	**0**	**0**	**0**	**(86)**	**(4)**	**0**	**(5,112)**	**(2,548)**	**(20)**	**(1)**	**(1,207)**	**(76,472)**
Total liabilities	**(43,252)**	**(1,299)**	**(23)**	**(22,920)**	**0**	**0**	**0**	**(86)**	**(4)**	**0**	**(5,112)**	**(2,548)**	**(20)**	**(1)**	**(1,207)**	**(76,472)**

At the end of the reporting period, the Company held no financial liabilities in foreign currencies subject to exchange risk.

Cash flow hedging

As of 31 December 2024, the Group had undertaken the following futures operations (recognised based on the settlement date), relative to payables and receivables already recognised to hedge the transaction exchange risk:

COMPANY	OPERATION	CURRENCY	AMOUNT IN CURRENCY	COUNTERVALUE IN LOCAL CURRENCY (FORWARD EXCHANGE RATE)	AVERAGE MATURITY
			IN THOUSANDS	IN THOUSANDS	
Piaggio & C.	Purchase	CAD	155	105	31/01/2025
Piaggio & C.	Purchase	CNY	114,300	14,918	17/01/2025
Piaggio & C.	Purchase	JPY	215,000	1,339	29/01/2025
Piaggio & C.	Purchase	SEK	1,500	130	02/01/2025
Piaggio & C.	Purchase	USD	35,815	33,790	28/01/2025
Piaggio & C.	Sale	CAD	200	134	31/01/2025
Piaggio & C.	Sale	CNY	43,750	5,736	30/01/2025
Piaggio & C.	Sale	GBP	300	359	31/03/2025
Piaggio & C.	Sale	JPY	40,500	21	29/01/2025
Piaggio & C.	Sale	SEK	1,500	130	02/01/2025
Piaggio & C.	Sale	USD	23,300	21,963	11/02/2025
Piaggio & C.	Sale	VND	523,586,375	18,612	24/04/2025

As of 31 December 2024, the Company had the following hedging transactions on economic exchange risk in place:

COMPANY	OPERATION	CURRENCY	AMOUNT IN CURRENCY	VALUE IN LOCAL CURRENCY (FORWARD EXCHANGE RATE)	AVERAGE MATURITY
			IN THOUSANDS	IN THOUSANDS	
Piaggio & C.	Purchase	CNY	200,000	25,580	24/06/2025
Piaggio & C.	Purchase	INR	4,408,645	45,623	21/09/2025
Piaggio & C.	Purchase	USD	55,000	49,569	31/05/2025
Piaggio & C.	Sale	USD	70,000	64,682	20/05/2025
Piaggio & C.	Sale	GBP	6,000	7,157	29/06/2025

To hedge the economic exchange risk alone, cash flow hedging is adopted with the effective portion of profits and losses recognised in a specific shareholders' equity reserve. Fair value is determined based on market quotations provided by main traders.
As of 31 December 2024, the total fair value of hedging instruments for the economic exchange risk recognised on a hedge accounting basis was negative by €/000 3,525. During 2024, gains were recognised in Other Comprehensive Income amounting to €/000 3,997 and profits from Other Comprehensive Income amounting to €/000 476 were reclassified under profit/loss for the period.

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

IN MILLIONS OF EUROS	CASH FLOW 2024
Pound Sterling	18.7
Canadian Dollar	10.2
Swedish Krone	(2.2)
Japanese Yen	(3.8)
US Dollar	(36.9)
Singapore Dollar	(0.2)
Indian Rupee	(2.7)
Chinese Yuan[104]	(115.1)
Total cash flow in foreign currency	**(132.0)**

In view of the above, an assumed appreciation/deprecation of 3% of the Euro would have generated potential profits for €/000 3,766 and potential losses for €/000 3,999 respectively.

Interest rate risk

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

As of 31 December 2024, the following derivatives were in place for hedging purposes:

Cash flow hedging

- An Interest Rate Swap to hedge the variable-rate loan for a nominal amount of €/000 6,667 from Banco BPM. The purpose of the instrument is to manage and mitigate exposure to interest rate risk; in accounting terms, the instrument is recognised on a cash flow hedge basis with the allocation of gains/losses arising from the fair value measurement to a specific Shareholders' equity reserve; as of 31 December 2024, the fair value of the instrument was positive for €/000 60; the sensitivity analysis of the instrument, assuming a 1% increase and decrease in the shift of the interest rates curve, showed a potential impact on equity, net of the related tax effect, of €/000 (16) and €/000 (50) respectively;
- an Interest Rate Swap to hedge the variable-rate loan for a nominal amount of €/000 24,000 from Banca Nazionale del Lavoro. The purpose of the instrument is to manage and mitigate exposure to interest rate risk; in accounting terms, the instrument is recognised on a cash flow hedge basis with the allocation of gains/losses arising from the fair value measurement to a specific Shareholders' equity reserve; as of 31 December 2024, the fair value of the instrument was negative for €/000 211; the sensitivity analysis on the instrument, assuming a shift in the variable rate curve of 1% upwards and downwards, shows a potential impact on Shareholders' Equity, net of the related tax effect, equal to €/000 53 and €/000 (503) respectively.

Commodities price risk

This risk arises from the possibility of changes in company profitability due to fluctuations in metal and energy prices (specifically platinum, palladium, aluminium and gas). The Group's objective is therefore to neutralise such possible adverse changes deriving from highly probable future transactions by compensating them with opposite variations related to the hedging instrument.
Cash flow hedging is adopted with this type of hedging, with the effective portion of profits and losses recognised in a specific shareholders' equity reserve. Fair value is determined based on market quotations provided by main traders.

104 Flow partially settled in Euros.

As of 31 December 2024, the total fair value of hedging instruments on Commodity price risk accounted for under hedge accounting was negative for €/000 1. During the 2024 financial year, losses of €/000 18 were recognised in Other Comprehensive Income and gains were reclassified from Other Comprehensive Income to profit/loss for the year of €/000 495.

IN THOUSANDS OF EUROS	FAIR VALUE
PIAGGIO & C. S.P.A.	
Interest Rate Swap	(151)
Commodity hedges	(1)


PORTER

F) INFORMATION ON SHAREHOLDERS' EQUITY

37. Share capital and reserves €/000 346,788

Share capital €/000 207,614

The company's share capital was unchanged from 31 December 2023 and equal to €207,613,944.37. The structure of share capital, fully subscribed and paid up, is indicated in the next table:

SHARE CAPITAL STRUCTURE AS OF 31 DECEMBER 2024

	NO. OF SHARES	% COMPARED TO THE SHARE CAPITAL	MARKET LISTING	RIGHTS AND OBLIGATIONS
Ordinary shares	354,632,049	100%	MTA	Right to vote in the Ordinary and Extraordinary Shareholders' Meetings of the Company

The shares of the Company are without nominal value, are indivisible, registered and issued on a dematerialisation basis, in the centralised management system of Monte Titoli S.p.A..
At the date of these financial statements, no other financial instruments with the right to subscribe to new issue shares had been issued, nor were there share-based incentive plans in place involving increases, also without a consideration, in share capital.

Treasury shares €/000 (2,694)

During the period, 610,500 treasury shares were acquired. Therefore, as of 31 December 2024, Piaggio & C. held 1,036,661 treasury shares, equal to 0.2923% of the shares issued.
In addition, a further 50,000 treasury shares were purchased in February 2025. Therefore, at the date of approval of these Financial Statements as of 31 December 2024, Piaggio & C. held 1,086,661 treasury shares, equivalent to 0.3064% of the shares issued.

Furthermore, it should be noted that 50,000 ordinary shares were purchased during February and up to the date of approval of this document. Therefore, at the time of approval of this Interim Report, the Parent Company held 1,086,661 treasury shares, equivalent to 0.3064% of the share capital.

OUTSTANDING SHARES AND OWN SHARES

NO. OF SHARES	2024	2023
Situation as of 1 January		
Shares issued	354,632,049	358,153,644
Of which treasury portfolio shares	426,161	3,521,595
Of which shares in circulation	354,205,888	354,632,049
Movements for the period		
Cancellation of treasury shares		(3,521,595)
Purchase of treasury shares	610,500	426,161
Situation as of 31 December		
Shares issued	354,632,049	354,632,049
Of which treasury portfolio shares	1,036,661	426,161
Of which shares in circulation	353,595,388	354,205,888

Share premium reserve

€/000 7,171

The share premium reserve is unchanged from 31 December 2023.

Legal reserve

€/000 37,237

The legal reserve as of 31 December 2024 had increased by €/000 4,530 as a result of the allocation of earnings for the last period.

Other reserves

€/000 (39,335)

The composition of this grouping is as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023	CHANGE
Capital gain from contributions	152	152	-
IFRS transition reserve	(3,928)	(3,928)	-
Financial instruments' fair value reserve	2,550	(901)	3,451
Translation reserve from measurement of investments using the equity method	(38,109)	(41,112)	3,003
Total other reserves	**(39,335)**	**(45,789)**	**6,454**

The financial instruments' fair value reserve relates to the effects of cash flow hedge accounting implemented on foreign currencies and interest. These transactions are described in full in the note on financial instruments.

Approved dividends

The Ordinary Shareholders' Meeting of Piaggio & C. S.p.A. held on 17 April 2024 resolved to distribute a final dividend of 8 eurocents, before tax, for each ordinary share entitled (ex-dividend date no. 22 on 22 April 2024, record date 23 April 2024 and payment date 24 April 2024), in addition to the interim dividend of 12.5 eurocents paid on 20 September 2023 (ex-dividend date 18 September 2023), for a total dividend for the 2023 financial year of 20.5 eurocents. The total dividend from the remaining 2023 financial year profit after allocations to reserves amounted to a total of €72,630,957.04.

	DIVIDEND PAID IN THE YEAR			
	TOTAL		PER SHARE	
	2024	2023	2024	2023
	€/000	€/000	€	€
Of the previous year's result	28,336	35,461	0.08	0.100
Interim dividend for current year's result	40,734	44,295	0.115	0.125

Earnings reserve

€/000 136,795

The composition of earnings reserves as of 31 December 2024 is as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024	AS OF 31 DECEMBER 2023
Earnings reserves from the measurement of investments using the equity method	34,191	36,131
Retained earnings (losses)	76,018	61,177
Stock Option Reserve	9,296	9,296
Reserve from discounting termination benefits	(8,815)	(8,663)
Interim dividends	(40,734)	(44,312)
Total profit (loss) carried forward	69,956	53,629
Profit (loss) for the year	66,839	90,604
Total earnings reserves	**136,795**	**144,233**

The following table provides a breakdown of the individual items of Shareholders' Equity, distinguishing them according to their origin, availability and, finally, their use in previous years.

NATURE/DESCRIPTION	AMOUNT	POSSIBILITIES OF USE	PORTION AVAILABLE	2014 USES TO COVER LOSSES
IN THOUSANDS OF EUROS				
Share capital	207,614			
Capital reserves:				
Share premium	7,171	A, B, C(*)	7,171	
Profit reserves:				
Legal reserve	37,237	B		
Capital gain from contributions	152	A, B	152	
IAS transition reserve	(3,928)	A, B	(3,928)	
Financial instruments' fair value reserve	2,550			
Translation reserve from measurement of investments using the equity method: Translation Diff	(38,109)			
Total Reserves	5,073		3,395	
Earnings reserves from the measurement of investments using the equity method:				
- Discounting D.B.O.	(2,637)			
- Economic gains	36,828	A, B	36,828	
Treasury shares	(2,694)			
Reserve from discounting termination benefits	(8,815)			
Stock Option Reserve	9,296	A, B, C	9,296	
Retained earnings (losses)	76,018	A, B, C	76,018	1,649
Interim dividends	(40,734)			
Total profit (loss) carried forward	67,262			
Profit (loss) for the year	66,839			
Total shareholders' equity	**346,788**		**125,537**	

Legend:

A: to increase capital

B: to cover losses

C: to distribute to shareholders

(*) entirely available for capital increase and loss coverage. For other uses, it is necessary to adjust the legal reserve to 20% of the share capital in advance (also by transfer from the share premium reserve). As of 31 December 2024, this adjustment would be equal to €/000 4,286.

Pursuant to Article 2426(5) of the Italian Civil Code, it should be noted that shareholders' equity is unavailable for the value of development costs still to be amortised, which was equal to €/000 90,738 as of 31 December 2024.

38. Other comprehensive income/(loss) €/000 5,776

The value of the other Comprehensive Income is broken down as follows:

IN THOUSANDS OF EUROS	RESERVE FOR MEASUREMENT OF FINANCIAL INSTRUMENTS	EARNINGS RESERVE	TOTAL OTHER COMPREHENSIVE INCOME
As of 31 December 2024			
Items that will not be reclassified in the income statement			
Remeasurements of defined benefit plans		(153)	(153)
Share of Other Comprehensive Income/(loss) of associates valued with the equity method		(524)	(524)
Total	-	(677)	(677)
Items that may be reclassified in the income statement			
Total gains (losses) on fair value adjustments to available-for-sale financial assets			
Total profits (losses) on cash flow hedges	3,451		3,451
Share of Other Comprehensive Income/(loss) of associates valued with the equity method		3,002	3,002
Total	3,451	3,002	6,453
Other comprehensive income/(loss)	**3,451**	**2,325**	**5,776**
As of 31 December 2023			
Items that will not be reclassified in the income statement			
Remeasurements of defined benefit plans		(983)	(983)
Share of Other Comprehensive Income/(loss) of associates valued with the equity method		(787)	(787)
Total	-	(1,770)	(1,770)
Items that may be reclassified in the income statement			
Total gains (losses) on fair value adjustments to available-for-sale financial assets			-
Total profits (losses) on cash flow hedges	(3,501)		(3,501)
Share of Other Comprehensive Income/(loss) of associates valued with the equity method		(6,507)	(6,507)
Total	(3,501)	(6,507)	(10,008)
Other comprehensive income/(loss)	**(3,501)**	**(8,277)**	**(11,778)**

The tax effect related to other comprehensive income is broken down as follows:

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2024			AS OF 31 DECEMBER 2023		
	GROSS VALUE	TAX (EXPENSE) / BENEFIT	NET VALUE	GROSS VALUE	TAX (EXPENSE) / BENEFIT	NET VALUE
Remeasurements of defined benefit plans	(153)	0	(153)	(983)	0	(983)
Total profits (losses) on cash flow hedges	4,541	(1,090)	3,451	(4,607)	1,106	(3,501)
Share of Other Comprehensive Income/(loss) of associates valued with the equity method	2,478		2,478	(7,294)		(7,294)
Other comprehensive income/(loss)	**6,866**	**(1,090)**	**5,776**	**(12,884)**	**1,106**	**(11,778)**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G) OTHER INFORMATION

39. Share-based incentive plans

As of 31 December 2024, there were no incentive plans based on financial instruments.

40. Remuneration of Directors, Statutory Auditors and Key Management Personnel

For a complete description and analysis of Directors' and Statutory Auditors' remuneration, please see the remuneration report available at the company's registered office, as well as on the company's website in the 'Governance' section. It should be noted that the Company has not currently identified any key management personnel.

IN THOUSANDS OF EUROS	2024
Directors	2,145
Auditors	46
Total remuneration	**2,191**

41. Information on related parties

Revenues, costs, payables and receivables as of 31 December 2024 involving parent, subsidiary and associate companies, refer to the sale of goods or services which are a part of normal operations of the Group.
Transactions are carried out at normal market values, depending on the characteristics of the goods and services provided.
Information on related party transactions, including those required by Consob Communication No. DEM/6064293 of 28 July 2006, is presented below.
The procedure for transactions with related parties, pursuant to Article 4 of Consob Regulation no. 17221 of 12 March 2010 as amended, approved by the Board on 30 September 2010, is published on the institutional site of the Issuer www.piaggiogroup.com, under Governance.

Relations with Parent Companies
Piaggio & C. S.p.A. is controlled by the following companies:

NAME	REGISTERED OFFICE	TYPE	% OF OWNERSHIP AS OF 31 DECEMBER 2024	% OF OWNERSHIP AS OF 31 DECEMBER 2023
Immsi S.p.A.	Mantova - Italy	Direct parent company	50.5675	50.5675
Omniaholding S.p.A.	Mantova - Italy	Ultimate Parent Company	0.1269	

It should be noted that during the 2024 financial year, no transactions were carried out either directly or indirectly on shares of parent companies.
Piaggio & C. S.p.A. is subject to the management and coordination of IMMSI S.p.A. pursuant to Article 2497 and subsequent of the Italian Civil Code. During the period, management and coordination comprised the following activity:

- IMMSI has defined procedures and times for preparing the budget and in general the business plan of Group companies, as well as final management analysis to support management control activities.

In 2023, for a further three years, the Company signed up to the National Consolidated Tax Convention pursuant to Articles 117 to 129 of the Consolidated Income Tax Act (T.U.I.R.) of which IMMSI S.p.A. is the consolidating company, and to whom other IMMSI Group companies report to. The consolidating company determines a single global income equal to the algebraic sum of taxable amounts (income or loss) realised by individual companies that opt for this type of group taxation.
The consolidating company recognises a receivable from the consolidated company which is equal to the corporate tax to be paid on the taxable income transferred by the latter. Whereas, in the case of companies reporting tax losses, the consolidating company recognises a payable related to corporate tax on the portion of loss actually used to determine global overall income, or calculated as a decrease of overall income for subsequent tax periods, according to the procedures in Article 84, based on the criterion established by the consolidation agreement.
Under the National Consolidated Tax Convention, companies may, pursuant to article 96 of Presidential Decree no. 917/86, allocate the excess of interest payable which is not deductible to one of the companies so that, up to the excess of Gross Operating Income produced in the same tax period by other subjects party to the consolidation, the amount may be used to reduce the total income of the Group.
Piaggio & C. S.p.A. has undertaken a rental agreement for offices owned by Omniaholding S.p.A.. This agreement, signed in normal market conditions, was previously approved by the Related Parties Transactions Committee, as provided for by the procedure for transactions with related parties adopted by the Company.

Piaggio & C. S.p.A. has two office lease agreements with IMMSI, one for property in Via Broletto 13 in Milan, and the other for property in Via Abruzzi 25 in Rome. A part of the property in Via Broletto 13 in Milan is sub-leased by Piaggio & C. S.p.A. to Piaggio Concept Store Mantova Srl.

Pursuant to Article 2.6.2, section 13 of the Regulation of Stock Markets organised and managed by Borsa Italiana S.p.A., the conditions as of Article 37 of Consob regulation 16191/2007 exist.

Relations with Piaggio Group companies

The main intercompany transactions with subsidiaries relate to the following transactions:

Piaggio & C. S.p.A.

- sells vehicles, spare parts and accessories to sell on respective markets, to:
  - Piaggio Hrvatska
  - Piaggio Hellas
  - Piaggio Group Americas
  - Piaggio Vehicles Private Limited
  - Piaggio Vietnam
  - Piaggio Concept Store Mantova
  - Foshan Piaggio Vehicles Technology R&D
  - Piaggio Asia Pacific
  - Piaggio Group Japan
  - PT Piaggio Indonesia

- sells components to:
  - Piaggio Vehicles Private Limited
  - Piaggio Vietnam
  - Aprilia Racing

- It provides promotional material to:
  - Piaggio France
  - PT Piaggio Indonesia
  - Piaggio España
  - Piaggio Limited
  - Piaggio Deutschland

- grants licences for rights to use the brand and technological know-how to:
  - Piaggio Vehicles Private Limited
  - Piaggio Vietnam

- Aprilia Racing
- PT Piaggio Indonesia
- PT Piaggio Indonesia Industrial

- provides support services for scooter and engine industrialisation to:
  - Piaggio Vehicles Private Limited
  - Piaggio Vietnam

- leases a part of the owned property to:
  - Aprilia Racing

- subleases a part of the rented property to:
  - Piaggio Concept Store Mantova

- has cash pooling agreements with:
  - Aprilia Racing
  - Piaggio Concept Store Mantova
  - Piaggio France
  - Piaggio Deutschland
  - Piaggio España
  - Piaggio Vespa

- has loan agreements with:
  - Piaggio Fast Forward
  - Aprilia Racing
  - Nacional Motor

- provides support services for staff functions to other Group companies;
- issues guarantees for the Group's subsidiaries, for medium-term loans;

- buy vehicles, spare parts and accessories from:
  - Piaggio Vehicles Private Limited
  - Piaggio Vietnam

- buys components from:
  - Piaggio Fast Forward

- receives a distribution service for vehicles, spare parts and accessories in their respective markets from:
  - Piaggio Hrvatska
  - Piaggio Hellas
  - Piaggio Group Americas
  - Piaggio Vehicles Private Limited
  - Piaggio Vietnam
  - Foshan Piaggio Vehicles Technology R&D
  - PT Piaggio Indonesia
  - Piaggio Group Japan
  - Piaggio Asia Pacific

- receives sales promotion and after-sales support in their respective markets from:
  - Piaggio France
  - Piaggio Deutschland
  - Piaggio Limited
  - Piaggio España
  - Piaggio Vespa

- receives from Foshan Piaggio Vehicles Technologies R&D a design/development service for components and vehicles and a scouting service for local suppliers;

- receives a research/design/development service for vehicles and components from:
    - Piaggio Advanced Design Center
    - Piaggio Fast Forward

- receives from Aprilia Racing a service to manage and organise the racing team and promote the commercial brands (owned by Piaggio & C. S.p.A.).

Relations between Piaggio & C. S.p.A. and the JV Zongshen Piaggio Foshan Motorcycle Co. Ltd

The main intercompany transactions between Piaggio & C. S.p.A and the JV Zongshen Piaggio Foshan Motorcycle Co. Ltd, refer to the following transactions:

Piaggio & C. S.p.A.

- grants licences for rights to use the brand and technological know-how to Zongshen Piaggio Foshan Motorcycle Co. Ltd..

Zongshen Piaggio Foshan Motorcycle Co. Ltd

- sells vehicles, spare parts and accessories, in some cases produced by Piaggio & C. S.p.A., to Piaggio & C. S.p.A. for subsequent marketing.

The following tables summarise relations described above and financial relations with parent, subsidiary and associate companies respectively as of 31 December 2024 and relations during the year, as well as their overall impact on financial statement items.

IN THOUSANDS OF EUROS	APRILIA RACING SRL	FONDAZIONE PIAGGIO	FPVT	IMMSI AUDIT	IMMSI S.P.A.
Income statement:					
Net revenues	1,148		746		
Costs for materials	549				
Costs for services and use of third-party assets	30,382	7	2,924	770	428
Other operating income	2,431		1,001	36	57
Other operating costs		108			1
Results of associates - Income/(losses)	733				
Financial income	1,750				
Financial costs					417
Income Taxes					(1,095)
Financial statements:					
Other financial assets > 12 months					
Trade receivables	40		6,565		10
Other receivables < 12 months	10,576		1,846	26	42,105
Other financial assets < 12 months	21,295				
Financial liabilities Rights of Use > 12 months					3,626
Financial liabilities < 12 months					
Financial liabilities Rights of Use < 12 months					1,260
Trade payables	192	18	407	50	168
Other payables < 12 months		110			52,448

IN THOUSANDS OF EUROS	INTERMARINE	IS MOLAS S.P.A.	NACIONAL MOTOR S.A.	OMNIAHOLDING	PADC
Income statement:					
Net revenues					
Costs for materials					
Costs for services and use of third-party assets		3		8	402
Other operating income	8	8			
Other operating costs					
Results of associates - Income/(losses)			(85)		28
Financial income					
Financial costs			1	16	
Income Taxes					
Financial statements:					
Other financial assets > 12 months					
Trade receivables					
Other receivables < 12 months	8	8			
Other financial assets < 12 months					
Financial liabilities Rights of Use > 12 months				199	
Financial liabilities < 12 months			176		
Financial liabilities Rights of Use < 12 months				59	
Trade payables				6	425
Other payables < 12 months					

IN THOUSANDS OF EUROS	PIAGGIO ASIA PACIFIC LTD	PIAGGIO CONCEPT STORE MANTOVA	PIAGGIO DEUTSCHLAND	PIAGGIO ESPAÑA	PIAGGIO FAST FORWARD
Income statement:					
Net revenues	7,936	2,896	13	31	
Costs for materials					1,851
Costs for services and use of third-party assets	34	42	5,299	4,431	358
Other operating income	1,130	250	188	129	9
Other operating costs				8	
Results of associates - Income/(losses)		(521)		93	(16,363)
Financial income		105	5	7	532
Financial costs			9	6	
Income Taxes					
Financial statements:					
Other financial assets > 12 months		348			
Trade receivables	2,120	456	2	62	
Other receivables < 12 months	491	2,772	330	349	49
Other financial assets < 12 months		86			
Financial liabilities Rights of Use > 12 months					
Financial liabilities < 12 months					
Financial liabilities Rights of Use < 12 months					
Trade payables	34	254	1,142	1,088	842
Other payables < 12 months	65	205			

IN THOUSANDS OF EUROS	PIAGGIO FRANCE	PIAGGIO GROUP AMERICAS INC.	PIAGGIO GROUP JAPAN	PIAGGIO HELLAS	PIAGGIO HRVATSKA
Income statement:					
Net revenues	23	88,518	1,974	42,329	8,582
Costs for materials					
Costs for services and use of third-party assets	7,320	454		138	2
Other operating income	159	1,015	381	2,203	211
Other operating costs					
Results of associates - Income/(losses)					
Financial income	33				
Financial costs					
Income Taxes					
Financial statements:					
Other financial assets > 12 months					
Trade receivables		8,991	319	6,476	1,541
Other receivables < 12 months	663	256	145	142	39
Other financial assets < 12 months					
Financial liabilities Rights of Use > 12 months					
Financial liabilities < 12 months					
Financial liabilities Rights of Use < 12 months					
Trade payables	1,430	33		41	
Other payables < 12 months					

IN THOUSANDS OF EUROS	PIAGGIO LIMITED	PIAGGIO VEHICLES PVT. LTD	PIAGGIO VESPA	PIAGGIO VIETNAM	PONTEDERA & TECNOLOGIA
Income statement:					
Net revenues	14	2,300		7,841	
Costs for materials		45,318		89,716	
Costs for services and use of third-party assets	2,717	257	2,580	26	
Other operating income	152	18,821	73	21,303	
Other operating costs			252		
Results of associates - Income/(losses)		22,287	12,845	20,220	14
Financial income					
Financial costs			475		
Income Taxes					
Financial statements:					
Other financial assets > 12 months					
Trade receivables		368	5	2,996	
Other receivables < 12 months	66	11,127	11,529	27,175	
Other financial assets < 12 months					
Financial liabilities Rights of Use > 12 months					
Financial liabilities < 12 months					
Financial liabilities Rights of Use < 12 months					
Trade payables	325	7,210	523	10,503	
Other payables < 12 months		100	11,248	319	

IN THOUSANDS OF EUROS	PT PIAGGIO INDONESIA	PT PIAGGIO INDONESIA INDUSTRIAL	ZONGSHEN PIAGGIO FOSHAN MOTORCYCLE	PIAGGIO CHINA	TOTALE	INCIDENZA % SU VOCE BILANCIO
Income statement:						
Net revenues	966		183		165,500	15.1%
Costs for materials			13,598		151,032	22.2%
Costs for services and use of third-party assets					58,582	27.2%
Other operating income	1,641	466	47		51,719	31.8%
Other operating costs					369	2.3%
Results of associates - Income/(losses)	545		(1,152)	(453)	38,191	99.9%
Financial income					2,432	69.7%
Financial costs					924	2.2%
Income Taxes					(1,095)	8.9%
Financial statements:						
Other financial assets > 12 months					348	95.6%
Trade receivables	6		412		30,369	64.2%
Other receivables < 12 months	833	469	654		111,658	85.9%
Other financial assets < 12 months					21,381	100.0%
Financial liabilities Rights of Use > 12 months					3,825	65.2%
Financial liabilities < 12 months					176	0.2%
Financial liabilities Rights of Use < 12 months					1,319	32.5%
Trade payables			4,985		29,676	8.0%
Other payables < 12 months	154	28			64,677	54.7%

42. Contractual Commitments and Guarantees Provided

Contractual commitments undertaken by the Company are summarised below by maturity.

IN THOUSANDS OF EUROS	WITHIN 1 YEAR	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS	TOTAL
Other commitments	11,358	14,057	-	25,415
Total	**11,358**	**14,057**	**-**	**25,415**

The main guarantees issued by credit institutions on behalf of Piaggio & C. S.p.A. in favour of subsidiaries are as follows:

TYPE	AMOUNT €/000
a Piaggio & C. guarantee for USD 5,500,000 to support the working capital credit line of USD 5,000,000 granted by Bank of America in favour of the subsidiary Piaggio Indonesia	
- of which drawn	0
- of which undrawn	4,813
a Piaggio & C. credit mandate to guarantee the credit line granted by Intesa Sanpaolo to the subsidiary Piaggio Group Americas for USD 500,000	
- of which drawn	0
- of which undrawn	481
a Piaggio & C. credit mandate to guarantee the credit line granted by Intesa Sanpaolo to the subsidiary Piaggio Group Japan for USD 4,500,000	
- of which drawn	491
- of which undrawn	3,841
a Piaggio & C. credit mandate to guarantee the credit line granted by Intesa Sanpaolo to the subsidiary Piaggio Asia Pacific for USD 5,000,000	
- of which drawn	0
- of which undrawn	4,813

The main guarantees issued by credit institutions on behalf of Piaggio & C. S.p.A. in favour of third parties are as follows:

TYPE	AMOUNT €/000
BCC-Fornacette guarantee issued in favour of Motoride Spa for a VAT refund following a deductible tax excess	298
Banco di Brescia guarantee issued in favour of the Municipality of Scorzè to guarantee urbanisation and construction of the Scorzè plant	166
Intesasanpaolo guarantee issued in favour of Consip S.p.A to guarantee contractual obligations for the supply of vehicles	227
Bper guarantee issued in favour of the Municipality of Pisa to guarantee contractual obligations for the proper performance of the conversion of an industrial area	5,266
Bper guarantee issued in favour of Invitalia to guarantee the request for an advance on the grant payable on the Research, Development, Cybersecurity Innovation, Connectivity Innovation, Electrification Innovation and ADAS/ARAS Innovation Project	10,224

43. Disputes

For a detailed description of existing disputes, please refer to the similar section in the Notes to the Consolidated Financial Statements.

44. Grants, contributions, remunerated positions and economic advantages from public administrations

In compliance with Section 125 of Law 124/2017 of 4 August 2017, we publish the details per research project of the contributions received during 2024 and the revenue from sales to the public administration:

PROJECTS	PROVIDER	DISBURSEMENTS 2024
VALUES IN EUROS		
sAFE project	INEA	1,487.76
LENS project	EUROPEAN COMMISSION	13,937.50
Development Contract (CDS)	INVITALIA	10,223,812.34
Total		**10,239,237.60**

CUSTOMER	2024 REVENUES FROM SALES
VALUES IN EUROS	
Italian municipalities	62,252.58
Province of Lecco	19,672.94
Carabinieri Corps	177,760.00
Ministry of the Interior	609,528.75
Juvenile Justice Department	4,817.47
Total	**874,031.74**

During the year, grants were also acquired for investments in plant, property and equipment financed by the National Plan for Industry 4.0. of €/000 912 and for €/000 2,127 for investments in Research, Development, Innovation and Design.

45. Significant non-recurring events and operations

For the years 2024 and 2023, there were no significant non-recurring transactions, as defined by Consob Communication No. DEM/6064293 of 28 July 2006.

46. Transactions arising from atypical and/or unusual transactions

During the 2024 and 2023 financial years, the Company did not undertake any significant atypical and/or unusual operations, as defined by Consob Communications No. DEM/6037577 of 28 April 2006 and No. DEM/6064293 of 28 July 2006.

47. Subsequent events

It should be noted that no further events occurred after 31 December 2024 and up to the date of approval of these financial statements that could have a material impact on the reported results of operations and the financial position, as determined by IAS 10 paragraph 9.

48. Proposed allocation of the result for the year

The financial statements as of 31 December 2024 show a profit for the year of € 66,838,764.38.

The Board of Directors of Piaggio & C S.p.A. proposes to allocate this result as follows:

- € 3,341,938.22 to the legal reserve;
- € 19,191,268.35 to the reserve 'from the measurement of investments in shareholders' equity';
- € 44,305,557.81 to shareholders by way of a dividend, of which €40,733,677.12 by way of an interim dividend already paid.

As resolved by the Board of Directors on 29 July 2024, the Company had already paid an interim dividend per share of €0.115 on 25 September 2024 with an ex-dividend date of 23 September 2024; and therefore requests the Board of Directors to propose to the Shareholders' Meeting to pay, in settlement of the interim dividend already paid, a dividend equal to Euro 0.04 for each ordinary share entitled, for a total maximum amount of Euro 14,141,815.52. to be taken from the available profit for the year for € 3.571.880,69 and € 10,569,934.83 from the "Retained earnings" reserve with the ex-dividend date of coupon no. 24 on 22 April 2025, record date coinciding with 23 April 2025 and payment date 24 April 2025.

49. Authorisation for publication

This document was published on 24 March 2025 with the authorisation of the Chief Executive Officer.

Milan, 4 March 2025

for the Board of Directors

Chief Executive Officer
Michele Colaninno


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ATTACHMENTS

Piaggio Group companies

Please see the annexes to the consolidated financial statements.

Information pursuant to Article 149-duodecies of the Consob Regulation on Issuers

The following table, prepared in accordance with Article 149 duodecies of the Consob Regulation on Issuers, shows the fees for the year 2024 for audit and non-audit services rendered by the same independent auditors and entities belonging to its network.

TYPE OF SERVICE	SERVICE PROVIDER	FEE FOR THE FINANCIAL YEAR 2024
IN EUROS		
Auditing	Deloitte	371,569
Certification services	Deloitte	253,968
Other services	Deloitte	35,000
Total		**660,537**

Information on the management and coordination of companies

The Company is subject to the management and coordination of Immsi S.p.A..
Pursuant to Article 2497-bis, paragraph 4, of the Italian Civil Code, the following table summarises the key figures of the latest financial statements of the parent company IMMSI S.p.A, with registered office in Mantova, Piazza Vilfredo Pareto 3 - tax code 07918540019, for the year ending 31 December 2023. The above key figures were extracted from the relevant financial statements for the year ending 31 December 2023. For an adequate and complete understanding of the financial position and performance of IMMSI S.p.A. as of 31 December 2023, as well as the net result of the company in the year ended on that date, please refer to the financial statements, which, accompanied by the independent auditors' report, are available in the form and manner required by law.

INCOME STATEMENT

IN THOUSANDS OF EUROS	2023	2022
Financial income	56,963	37,289
- of which related parties and intragroup	*56,610*	*37,132*
Financial costs	(36,133)	(12,650)
- of which related parties and intragroup	*(19,660)*	*(3,177)*
Results of associates - Income/(losses)	0	0
Operating income	0	0
- of which related parties and intragroup	*0*	*0*
Costs for materials	(27)	(25)
Costs for services and use of third-party assets	(3,279)	(3,665)
- of which related parties and intragroup	*(288)*	*(336)*
Employee costs	(1,344)	(1,756)
Depreciation of property, plant and equipment	(400)	(384)
Amortisation of goodwill	0	0
Amortisation of intangible assets with a finite life	0	0
Other operating income	203	205
- of which related parties and intragroup	*122*	*107*
Net write-backs (write-downs) of trade and other receivables		
Other operating costs	(307)	(282)
PROFIT BEFORE TAX	**15,677**	**18,732**
Income Taxes	798	1,701
PROFIT AFTER TAX FROM CONTINUING OPERATIONS	**16,475**	**20,433**
Profit (loss) from assets held for disposal or sale	0	0
NET PROFIT FOR THE PERIOD	**16,475**	**20,433**

STATEMENT OF COMPREHENSIVE INCOME

IN THOUSANDS OF EUROS	2023	2022
NET PROFIT FOR THE PERIOD	16,475	20,433
Items that may be reclassified in the income statement:		
Effective portion of gains (losses) on cash flow hedging instruments	(345)	438
Items that will not be reclassified in the income statement:		
Gains (Losses) from the fair value measurement of financial assets	3,158	(76)
Actuarial gains (losses) on defined benefit plans	(8)	56
TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE PERIOD	**19,280**	**20,851**

STATEMENT OF FINANCIAL POSITION

IN THOUSANDS OF EUROS	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
NON-CURRENT ASSETS		
Intangible assets	0	0
Property, plant and equipment	1,633	938
Real estate investments	0	0
Investments in subsidiaries and associates	301,301	293,800
Other financial assets	280,686	272,578
- of which related parties and intragroup	*280,686*	*272,578*
Tax receivables	0	0
Deferred tax assets	1,542	1,587
Trade and other receivables	14,229	13,580
- of which related parties and intragroup	*13,944*	*13,063*
TOTAL NON-CURRENT ASSETS	**599,392**	**582,483**
ASSETS HELD FOR SALE	0	0
CURRENT ASSETS		
Trade and other receivables	2,977	3,138
- of which related parties and intragroup	*2,242*	*2,164*
Tax receivables	261	486
Inventories	0	0
Work in progress on order	0	0
Other financial assets	7,886	4,854
- of which related parties and intragroup	*1,017*	*1,143*
Cash and cash equivalents	8,070	6,309
TOTAL CURRENT ASSETS	**19,194**	**14,787**
TOTAL ASSETS	**618,586**	**597,270**
SHAREHOLDERS' EQUITY		
Share capital	178,464	178,464
Reserves and retained earnings	161,439	156,591
Net profit for the period	16,475	20,433
TOTAL SHAREHOLDERS' EQUITY	**356,378**	**355,487**
NON-CURRENT LIABILITIES		
Financial liabilities	78,885	41,524
- of which related parties and intragroup	*499*	*413*
Trade and other payables	112	0
Retirement fund and similar obligations	368	330
Other non-current provisions	0	0
Deferred taxes	728	3,057
TOTAL NON-CURRENT LIABILITIES	**80,093**	**44,910**
LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE	0	0
CURRENT LIABILITIES		
Financial liabilities	176,097	191,182
- of which related parties and intragroup	*177*	*121*
Trade payables	946	1,159
- of which related parties and intragroup	*104*	*151*
Current taxes	3,078	2,406
Other payables	1,993	2,125
- of which related parties and intragroup	*0*	*141*
Current portion of other non-current provisions	0	0
TOTAL CURRENT LIABILITIES	**182,115**	**196,872**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**618,586**	**597,270**

CERTIFICATION OF THE FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS OF LEGISLATIVE DECREE 58/98

1. The undersigned Michele Colaninno (Chief Executive Officer) and Alessandra Simonotto (Executive in charge of financial reporting) of Piaggio & C. S.p.A. hereby certify, also in consideration of article 154-bis, sections 3 and 4, of Legislative Decree no. 58 of 24 February 1998:
   - the appropriateness with regard to the company's characteristics and
   - the actual application of administrative and accounting procedures for the formation of the Separate Financial Statements as of 31 December 2024.

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

3. Moreover

   3.1 the financial statements:

   a. have been prepared in compliance with the international accounting standards endorsed by the European Community pursuant to regulation (EC) no. 1606/2002 of the European Parliament and Council of 19 July 2002;

   b. correspond to accounting records;

   c. give a true and fair view of the statement of financial position and results of operations of the Issuer;

   3.2 The Report on Operations includes reliable analysis of the trend of operations and operating results, as well as the situation of the Issuer and a description of main risks and uncertainties to which they are exposed.

Date: 4 March 2025

Michele Colaninno
Chief Executive Officer

Alessandra Simonotto
Executive in charge of financial reporting

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

Deloitte.

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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Piaggio & C. S.p.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Piaggio & C. S.p.A. (the "Company"), which comprise the statement of financial position as at December 31, 2024, the income statement, and the statement of comprehensive income, statement of changes in Shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Verification of capitalization criteria related to investments in development costs, industrial patent and know how	
Description of the key audit matter	The Company has accounted as of December 31, 2024 activities relating to development costs, industrial patent and know how for Euro 270.7 million; the related investments made during 2024 amounted to Euro 99.7 million and are mainly related to the study of new vehicles and new engines which constitute the leading products of the 2024 - 2026 range. In order to assess the compliance with the capitalization requirements of the International Accounting Standard "IAS 38 – Intangible assets", Management has established a procedure to verify the technical feasibility of projects, the availability of adequate financial resources to complete the products being developed and the intention and ability to complete the products to be sold. The Company's procedure also includes the estimation of expected future cash flows from the sale of the products in order to verify the recoverability of the amounts capitalized and the subsequent monitoring of these cash flows at least once per year. Given the magnitude of the value of the related assets, considering the complexity of the related procedure and the elements of judgment required for verifying the compliance with the conditions for capitalization of the relevant amounts, we have considered the verification of the capitalization criteria relating to the items above a key audit matter. Note C14) "intangible assets" provides information on this caption.
Audit procedures performed	In the context of our audit, we have carried out, among others, the following procedures: • understanding of the company's procedure for capitalizing development costs, industrial patent and know how adopted by the Company; • understanding of the relevant controls implemented by the Company; • discussions with Management and obtaining of supporting documentation to understand the characteristics of the projects; • obtaining details of the costs capitalized by project, and analysis, on a sample basis, of the increases and decreases that occurred in the year; • verification, for a sample of projects, of compliance with the requirements outlined in "IAS 38 – Intangible assets" for capitalization of internally generated intangible assets; • analysis, for a sample of projects, of estimated future cash flows and subsequent updates by Management at least once per year.

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Assessment of the recoverability of Goodwill	
Description of the key audit matter	The Company's separate financial statements include a Goodwill amounting to Euro 369 million, unchanged from the previous year. The recoverability of Goodwill is verified by the Directors at least once annually and whenever indicators of potential impairment appear, by comparing the carrying amount with the estimated recoverable amount through an impairment test. The Directors performed impairment test on Goodwill by estimating the value in use in accordance with the methodology of the present value of expected cash flows to determine the recoverable amount of each cash-generating unit (CGU) identified, to which the goodwill was allocated. In this context, the Directors estimated the expected future cash flows included in a four-year period, on the basis of the budget data for the financial year 2025, supplemented by forecast data for the period 2026 - 2028 (the "Plan"), the discount rate (WACC) and the growth rate beyond the explicit forecast period (g-rate). Based on the result of impairment test, the Directors did not identify any impairment losses. Considering the materiality of the caption, the subjectivity and the nature of the estimates relating to the determination of the cash flow, the key variables of impairment test, the recoverability of goodwill has been considered a key audit matter of the separate Financial Statement. Note C 14) "Intangible assets" provides information on goodwill.
Audit procedures performed	In the context of our audits, we carried out, among others, the following procedures, also with the involvement of experts from Deloitte network: • an understanding of the method used by Directors for the determination of the value in use of cash-generating unit (CGU), analyzing the methods and assumptions used by Management for the development of the impairment test; • analysis of the reasonableness of the assumptions made in estimating the cash flows and the parameters used by the directors for the impairment test. In this context we have examined industry studies and sector analyzes and retraced the methods used by the Directors to estimate WACC and g-rate; • verification of the correct determination of the carrying amount of the assets and liabilities attributed to each CGU identified; • verification of the sensitivity analysis carried out by directors with reference to the main assumptions used for carrying out the impairment test on goodwill; • examination of the adequacy and compliance, in relation with the accounting standard, of the information provided by directors in the separate financial statements as of December 31, 2024.

Assessment of the recoverability of Deferred Tax Assets	
Description of the key audit matter	Deferred tax assets recognized in the separate financial statements as at December 31, 2024 of Piaggio & C. S.p.A. amounted to Euro 46 million and are related to the temporary differences connected to prior year tax losses, as well as temporary differences, mainly due to provisions on taxed funds. Piaggio & C. S.p.A. has adhered to the National Consolidation Tax Convention of the IMMSI Group, whose consolidating entity is the parent company IMMSI S.p.A.. The recoverability of deferred tax assets depends, on the future results expected by Piaggio & C. S.p.A. as well as those of all the companies that participate in the National Consolidation Tax Convention of the IMMSI Group. Consequently, the recognition and the recoverability of deferred assets requires the Directors to carry out an estimation process with the objective of forecasting the future taxable tax results of Piaggio & C. S.p.A. which must also be confirmed by the estimates of the future taxable incomes of the companies participating in the IMMSI Group's National Consolidation Tax Convention. Given the materiality of the amounts and the complexity of the valuation process which requires significant accounting estimates, the assessment of the recoverability of deferred tax assets has been considered a key audit matter. Note C 17) "Deferred tax assets" provides information on this caption.
Audit procedures performed	In the context of our audit, we have carried out, among others, the following procedures, also with the involvement of expert from Deloitte network: • evaluation of the reasonableness of the assumptions formulated by Directors and by Management in forecasting the future taxable incomes of Piaggio & C. S.p.A., included in the plan approved by the Board of Directors on February 26, 2025; • examination of the National Consolidation Tax Convention contract with IMMSI S.p.A.; • examination of the methods used by the Management to verify the recoverability of deferred tax assets, including information flows with the parent company IMMSI S.p.A. regarding the capacity of future taxable incomes expected at consolidated level; • to the extent deemed necessary for the audit procedures on Piaggio & C S.p.A. deferred-tax asset, we have also examined the work carried out by the auditor of the parent company IMMSI S.p.A. concerning the analysis of the future taxable incomes of the companies participating in the National Consolidation Tax Convention contract with IMMSI; • examination of the adequacy of the disclosure and its compliance with the accounting standard IAS 12.

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Responsibilities of the Directors and the Management Control Committee for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or for the termination of the operations or have no realistic alternative to such choices.

The Management Control Committee is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Piaggio & C. S.p.A. has appointed us on April 22, 2020 as auditors of the Company for the years from December 31, 2021 to December 31, 2029.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Management Control Committee, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of Piaggio & C. S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF – European Single

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Electronic Format) (hereinafter referred to as the "Delegated Regulation") to the financial statements as at December 31, 2024, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Delegated Regulation.

In our opinion, the financial statements as at December 31, 2024 have been prepared in XHTML format in accordance with the provisions of the Delegated Regulation.

Opinions and statement pursuant to art. 14, paragraph 2, sub-paragraphs e), e-bis) and e-ter), of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Piaggio & C. S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and ownership structure of Piaggio & C. S.p.A. as at December 31, 2024, including their consistency with the related financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the financial statements;

- express an opinion on the compliance with the law of the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;

- make a statement about any material misstatement in the report on operations and in some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

In our opinion, the report on operations and the specific information contained in the report on corporate governance and ownership structure are consistent with the financial statements of Piaggio & C. S.p.A. as at December 31, 2024.

In addition, in our opinion, the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and the specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

Our opinion on the compliance with the law does not extend to the section related to the consolidated corporate sustainability reporting. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

DELOITTE & TOUCHE S.p.A.

Signed by
Gianni Massini
Partner

Florence, Italy
March 24, 2025

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

REPORT OF THE MANAGEMENT CONTROL COMMITTEE ON THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

REPORT OF THE MANAGEMENT CONTROL COMMITTEE AT THE GENERAL SHAREHOLDERS' MEETING OF PIAGGIO & C. S.P.A., CONVENED TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR WHICH ENDED ON 31 DECEMBER 2024, PURSUANT TO ARTICLE 153 OF ITALIAN LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998.

Dear Shareholders,

In this report, drafted pursuant to Article 153 of Italian Legislative Decree No. 58 of 24 February 1998 (the Italian "Consolidated Law on Financial Intermediation") and in compliance with the recommendations provided by CO.N.SO.B. ("CONSOB", the government authority of Italy responsible for regulating the Italian securities market) in Communication No. DEM/1025564 of 6 April 2001 and subsequent updates, the Management Control Committee refers to the activities carried out during the financial year which ended on 31 December 2024 and up to the date hereof, in accordance with the relevant regulations.

Composition and function of the Management Control Committee

First of all, it is acknowledged that on 17 April 2024, the General Shareholders' Meeting of Piaggio & C. S.p.A. ("Piaggio" or the "company") held an extraordinary session, during which it amended its Articles of Association, adopting the single-tier system of administration and control as provided for under Articles 2409 sexiesdecies - 2409 noviesdecies of the Italian Civil Code, thus replacing the traditional system.

During the ordinary session, it appointed the Board of Directors for the financial years 2024- 2026, i.e., expiring on the date of approval of the financial statements as at 31 December 2026. The Board of Directors consists of the following members:
- Matteo Colaninno
- Michele Colaninno
- Alessandro Lai
- Raffaella Annamaria Pagani
- Paola Mignani
- Graziano Gianmichele Visentin
- Micaela Vescia
- Ugo Ottaviano Zanello
- Carlo Zanetti
- Patrizia Albano
- Andrea Formica
- Rita Ciccone.

The current Management Control Committee as the date of this report was appointed by the Piaggio Board of Directors on 22 April 2024, for the three-year period 2024-2026, i.e. until the General Shareholders' Meeting convened to approve the Financial Statements for the year ending on 31.12.2026, and is made up of the following members: Dr Raffaella Pagani (Chairwoman), Prof. Alessandro Lai and Dr Paola Mignani (Members).

Both when it was established and most recently in February 2025, the Management Control Committee assessed - with positive outcome - the existence and continuity of the requisites of honesty, professionalism (according to the criteria set forth by the relevant law and bylaws) and independence for each of its members, in compliance with the principles and criteria laid out in the Consolidated Law on Financial Intermediation and the Corporate Governance Code, as applied by the company. The outcome of the assessment was communicated to the Board of Directors in order to fulfil the corresponding requirements envisaged.
All Management Control Committee members comply with the limitations regarding the maximum number of positions that can be held, pursuant to Article 144-terdecies of the CONSOB Regulation on Issuers.

In February 2025, the Management Control Committee also carried out its annual self-assessment on its composition and functioning (in line with the recommendations in Standard Q.1.1. of the Board of Statutory Auditors Rules of Conduct for Listed Companies, most recently adopted by the CNDEC, to the extent to which it is applicable), judging it to be adequate and deeming the distribution of the accrued competences to be well balanced.

The Management Control Committee fulfilled the supervisory duties set out under Article 2409-octiesdecies, Paragraph 5 of the Italian Civil Code and Articles 149 and 151-ter of the Consolidated Law on Financial Intermediation, as well as performing the supervisory functions stipulated in Article 19 of Italian Legislative Decree 39/2010, regarding its identification as the Internal Control and Audit Committee pursuant to paragraph 2 of the aforementioned provision of law. This role includes overseeing compliance with the principles of proper administration and, in particular, the adequacy of the organisational, administrative and accounting structures adopted by the company and the actual function thereof, as well as the manner in which the corporate governance rules set forth in the applicable regulatory provisions are actually implemented. It also supervised the independence of the independent auditors entrusted with carrying out the statutory audit, Deloitte & Touche S.p.A. (the "independent auditors").

In order to carry out the aforementioned supervisory activities, the necessary information was acquired both through frequent meetings with the heads of the relevant corporate structures, with the Internal Auditors and with the Supervisory Body, pursuant to Italian Legislative Decree 231/2001 (the "Supervisory Body"), as well as through meetings with the Board of Directors, the Audit Risk and Sustainability Committee (hereinafter also referred to as the "CCRS"), the Committee for Transactions with Related Parties (hereinafter also referred to as the "OPC Committee") and the finally with the Appointments and Remuneration Committee (hereinafter also referred to as the "CNR Committee"). The OPC Committee operates in compliance with the Procedure for Transactions with Related Parties adopted by the company, pursuant to Article 4 of the CONSOB Regulation set forth in Resolution No. 17221 of 12 March 2010 and subsequent amendments and additions.

During the financial year 2024, the Management Control Committee, appointed in April 2024, as mentioned:
- held 13 meetings and attended the meetings of the Board of Directors (5 meetings), as well as those of the Audit Risk and Sustainability Committee (6 meetings), the Related Parties Committee (2 meetings) and the Appointments and Remuneration Committee (2 meetings). The Management Control Committee meetings lasted around three hours on average;
- in some cases, its meetings were held on the same day as those of the Audit Risk and Sustainability Committee and the Supervisory Body, with a series of topics dealt with jointly, in order to facilitate the exchange and transparency of information between the persons with relevant tasks in the area of internal checks and controls, as well as to ensure the best possible use of the corporate resources concerned;
- the Management Control Committee also held regular meetings and exchanges of information with representatives of the independent auditors;
- the Committee also took part in the in-depth studies organised by the company as an induction, conducted within the framework of Board or Committee meetings (as illustrated in the Report on Corporate Governance and Corporate Ownership, with reference to the 2024 financial year), and focused on various issues, such as market and production trends and issues in the area of Health & Safety. The contributions on these issues were made by the relevant management functions with reference to the different topics. In the period preceding the renewal of the roles and the adoption of the single-tier system, Prof. Alessandro Lai - as a lecturer in the subject - held an induction to the field of sustainability.

It is hereby acknowledged that the previous Board of Statutory Auditors in office until the General Shareholders' Meeting of 17 April 2024 held 2 meetings during the period from 1 January 2024 to 17 April 2024, and attended the General Shareholders' Meeting of 17 April 2024 (both the ordinary and extraordinary part), as well as the meetings of the Board of Directors (3 meetings), those of the Audit Risk and Sustainability Committee (2 meetings) and those of the Appointment and Remuneration Committee (1 meeting). A reading of the report of the Board of Statutory Auditors on the Financial Statements of 31.12.2023 drafted pursuant to Article 153 of the Consolidated Law on Financial Intermediation did not reveal any critical issues.
Pursuant to Article 153 of the Consolidated Law on Financial Intermediation, and taking into account the recommendations provided by CONSOB in its Communication No. DEM/1025564 of 6 April 2001, as well as on the basis of the primary evidence acquired when performing its duties, the following is reported.

Monitoring of compliance with the law, the Articles of Association and the Corporate Governance Code

1. On the basis of the information acquired through its supervisory activities, the Management Control Committee did not find any violations of the law or the Articles of Association, nor any transactions that were manifestly imprudent or risky, in potential conflict of interest or in conflict with the resolutions passed by the General Shareholders' Meeting, or which could potentially serve to compromise the integrity of the company's assets and the continuity of the company.
2. During the aforementioned meetings, the members of the Management Control Committee, in their capacity as members of the Board of Directors, have consistently obtained ample and detailed information from the Chief Executive Officer on management trends and the forecast evolution thereof, as well as on the activities carried out and on the most significant economic, financial and asset-related transactions conducted by the company and/or its subsidiaries. With regard to the above, the CEO had no particular observations to report. Please refer to the Directors' Report for the characteristics of the transactions and the related economic effects.

3. The Management Control Committee carried out in-depth studies on specific topics, meeting directly with the company management team. An in-depth examination was conducted on the main risks and related impacts inherent to Piaggio's business. In particular, the Management Control Committee was periodically informed by the Head of Internal Audit and the executive in charge of financial reporting, as well as by the executive in charge of certifying the conformity of sustainability reporting, on the impacts of war conflicts in the world on Piaggio and the mitigation actions implemented by the Group (CONSOB warning of 18-19 March 2022), on the climate disclosures made in the financial statements pursuant to Italian Legislative Decree 125/2024 (warning no. 2/2024 of 20 December 2024) and on other relevant aspects of sustainability; The Management Control Committee oversaw the constant monitoring by the management team of the direct and indirect impacts resulting from the macroeconomic effects of this situation, as well as the possible economic and financial risks for the company and the Piaggio Group, in order to manage the effects on both the Italian and foreign branches of the business. The report on operations of the consolidated financial statements as at 31 December 2024 illustrates, on the basis of the available information, the current situation and the possible effects (risks and opportunities) on the Group.
4. The Management Control Committee monitored the concrete application of the principles and recommendations of the Corporate Governance Code, drawn up by the committee of the same name, to which Piaggio has adhered, illustrating the results of this monitoring in detail in the Report on Corporate Governance and Corporate Ownership, drafted pursuant to Article 123-bis of the Consolidated Law on Financial Intermediation, approved by the Board of Directors on 4 March 2025 and available on the company's website (the "Report on Corporate Governance and Corporate Ownership 2024").
5. At the same time, the Management Control Committee also verified the activities carried out in relation to dialogue with shareholders, through meetings with the investor relator which took place during the course of the year; it Committee also suggested that a "Shareholder Dialogue Policy" should be presented to the Board of Directors for approval.
6. The Management Control Committee acknowledges that the composition of the company boards appointed at the Ordinary General Shareholders' Meeting of 17 April 2024 complies with the applicable laws and regulations and with the Articles of Association.
7. With reference to the policies and criteria on the diversity of company boards, it should be noted that the subject is illustrated in the Report on Corporate Governance and Corporate Ownership 2024, in section 4.3. The assessment of the compliance of the current Board of Directors with the aforementioned criteria was carried out at the Board meeting of 4 March 2025; the composition and size of the Administrative Body was deemed adequate.
   The Board Performance Evaluation activity was brought by to the attention of the Board of Directors by CNR Committee on 4 March 2025; the former expressed a positive assessment of the composition thereof. It is made up of a majority of independent directors, as prescribed by the relevant legislation, and taking into account the independence requirements set forth in Recommendation 7 of the Corporate Governance Code. In this regard, each non-executive director provided all the elements necessary or useful for the Board's evaluations. In addition, the Board also meets the requirements of Article 16, paragraph 1, letter d), of CONSOB Regulations on Markets that establish, for companies subject to the management and coordination of another Italian company listed on regulated markets, the requirement of a Board to have a majority of members consisting of independent directors pursuant to the above regulations. The company appointed a lead independent director, pursuant to Recommendation No. 13 of the Corporate Governance Code.
8. The Management Control Committee verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to assess the continued fulfilment of the requirements of its members, taking note of the declarations made. The results of these activities are described in the Corporate Governance and Corporate Ownership Report 2024.
9. The Management Control Committee has also overseen the adoption of the policy on qualitative and quantitative criteria for assessing the independence requirements of members of the Board of Directors, as of 22 January 2025.

In conclusion to the points discussed in this section, the Management Control Committee confirms that the supervisory activities carried out did not reveal any critical elements concerning compliance with the law, the Articles of Association and the Corporate Governance Code.

Monitoring of compliance with the principles of proper administration and the adequacy of the organisational structure

1. During the periodic checks, the Management Control Committee met with the executive in charge of financial reporting[1], the Head of Internal Audit, the representatives of the independent auditors[2], and the representatives of the other relevant corporate functions, in order to obtain information on the activities carried out and the monitoring programmes. No relevant data or information that needs to be highlighted here emerged with regard to this point.
2. The Management Control Committee also exchanged constant, timely information regarding the performance of their respective tasks with the Audit Risk and Sustainability Committee and the Supervisory Body.

1. On 18 June 2007, the Board of Directors, after receiving the mandatory but non-binding opinion of the previous Board of Statutory Auditors, appointed Ms. Alessandra Simonotto (the current CFO) as the executive in charge of financial reporting. The role assigned has no expiry date. On 8 November 2024, the Board also decided to appoint Dr. Alessandra Simonotto to the role of executive in charge of sustainability reporting.
2. With regard to the auditor role, it should be noted that at the General Shareholders' Meeting held on 22 April 2020 appointed the role of auditor to the independent auditors Deloitte & Touche S.p.A. for the financial years from 2021 to 2029, on the basis of the proposal formulated pursuant to Article 13 of Italian Legislative Decree No. 39/2010 (which also contains the recommendation pursuant to Article 16 of Regulation (EU) No. 537/2014, submitted by the Board of Statutory Auditors in office at that time).

3. Within the bounds of its area of competence, the Management Control Committee has acquired knowledge and monitored:
   - the adequacy, suitability and function of the organisational structure of the company and the Group, including by collecting information from the heads of the various corporate functions;
   - the adequacy and function of the internal control system and the administrative-accounting system, also pursuant to the Crisis and Insolvency Code (Italian Legislative Decree 14/2019), as well as the reliability of the latter to correctly represent management operations, in line with the principles of proper administration, by obtaining information from the heads of the relevant functions a and the independent auditors, as well as by examining any relevant company documents.

   With regard to the above, the Management Control Committee has no particular observations to report, has made no reports pursuant to and for the purposes of Article 25-octies of Italian Legislative Decree 14/2019, and has received no reports from qualified public creditors pursuant to Article 25-novies of Italian Legislative Decree 14/2019.
4. In addition, the Management Control Committee monitored the adequacy of the provisions issued by the company to its subsidiaries, pursuant to Article 114(2) of the Consolidated Law on Financial Intermediation.
   To conclude the points discussed in this section, the Management Control Committee confirms that the supervisory activities carried out did not reveal any critical elements with regard to compliance with the principles of proper administration and with those regarding the adequacy of the organisational structure. Similarly, the Management Control Committee judges the administrative accounting system to be adequate, and reliable in correctly representing management operations. The analyses performed also make it possible to express a judgement on the adequacy of the internal control system and on the activities carried out by the executive in charge of this.

Transactions of particular significance - Atypical or unusual transactions - intercompany transactions or transactions with related parties

1. During the course of 2024, the company did not carry out any significant transactions in excess of EUR 10 million (materiality threshold calculated at 31 December 2024 for transactions with related parties based on the ERM analysis conducted at Group level).
2. During the course of 2024, the company did not carry out any atypical or unusual transactions with third parties, intercompany transactions or transactions with related parties, or transactions that could have a significant impact on the company's economic, asset-related and financial situation.
3. With regard to intercompany and related party transactions of an ordinary nature, the directors' report - to which reference should be made - highlights the characteristics and economic effects of these. Please refer to this report for specific details. The Management Control Committee confirms the appropriateness of these transactions and their nature in the interests of the company.
4. The Report on Operations approved by the Board of Directors provides an adequate overview of the events in 2024 that characterised the management of the financial year. The Management Control company declares the intercompany and related party transactions to be adequate and appropriate.
   Please refer to this declaration for a detailed examination of the various operations and transactions.
   As stated in the explanatory and supplementary notes to the Consolidated Financial Statements, the scope of consolidation has changed compared to the Consolidated Financial Statements as of 31 December 2023 following the creation of PT Piaggio Indonesia Industrial, created from the spin-off of industrial activities previously managed by PT Piaggio Indonesia.
5. The Management Control Committee received regular updates with regard to:
   - Transactions with related parties excluded from the application of the OPC Procedure;
   - Minor transactions;
   - Ordinary transactions, regardless of whether these qualify as minor or major;
   - Transactions of lesser or greater significance.
6. With regard to both intercompany transactions or transactions with related parties of an ordinary nature which took place during the period for which the company has provided specific and detailed information in its periodical financial reports (and in the notes to the Group's consolidated financial statements), the Management Control Committee acknowledges that these transactions were carried out in compliance with the Procedure for Transactions with Related Parties as adopted by Piaggio; no critical aspects were revealed with regard to their appropriateness and compliance with the company's interests.
7. Within the context of the resolution of authorisation that took place during the General Shareholders' Meeting of 17 April 2024 in relation to the purchase and sale of treasury shares, the Board of Directors meeting held on 22 April 2024 following the aforementioned General Shareholders' Meeting approved the launch of a new treasury share buyback programme, not yet completed as at the date of this report. As of 31 December 2024, the company held 1,036,661 treasury shares in its portfolio, equal to 0.2923% of the share capital, while at the date of this report, the treasury shares held in the portfolio numbered 1,539,161, equal to 0.4340% of the share capital.

Supervision of the financial disclosure process, the non-financial disclosure process, the effectiveness of the internal control, internal audit and risk management systems, and the statutory audit of the annual and consolidated accounts

1. With regard to the financial disclosure process, the Management Control Committee verified that the system of administrative-accounting rules and procedures designed to monitor the process of preparing and disseminating financial reports and information (both separate and consolidated) is constantly updated at Group level, meaning that these are adequate in order to allow the issue of certifications pursuant to Article 154 of Italian Legislative Decree 58/1998. The effective application and reliability of the accounting and administrative procedures was certified by the executive in charge of financial reporting, using the relevant internal structures, in accordance with the provisions of Law 262/2005.
2. With regard to the preparation of the financial statements and consolidated financial statements as at 31 December 2024, the Management Control Committee acknowledges that on 26 February 2025, the Board of Directors - autonomously and prior to the approval of the financial statements as at 31 December 2024 (see Joint Document of the Bank of Italy, CONSOB and Isvap of 3 March 2010) - approved the 2025-2028 business plan and the results of the "impairment test" conducted by the company. The explanatory notes accompanying the financial statements provide additional information, as well as the results of the process and assessments carried out.
3. During the periodic checks, the Management Control Committee was consistently informed of the development of the economic, asset-related and financial situation.
4. The Management Control Committee was updated on tax-related issues.
5. With reference to Article 15 (1) of CONSOB's market regulations, and within the context of its supervisory activities, the Management Control Committee has no observations to make on the adequacy of information flows from subsidiaries in order to meet the disclosure obligations provided for by law. These flows were found to be adequate. The Management Control Committee monitored the adequacy and function of the Internal Control and Risk Management System, through participation in meetings of the Audit Risk and Sustainability Committee and meetings with the competent functions for compliance issues, obtaining information from the Chief Executive Officer - Executive in charge of the Internal Control and Risk Management System -, representatives from the independent auditors and the Supervisory Body. The Management Control Committee also held periodic meetings with the Head of Internal Audit for the Group, from whom it obtained information on the progress of the Audit Plan for the year, the results of the audits carried out and the remedial activities implemented and planned, as well as the related follow-up activities.
6. At the meeting on 10 September 2024 and then on 28 February 2025, the Management Control Committee examined the Risk Report 2024 (ERM risks, including the direct and indirect effects of climate change). The methodology is aligned with international best practices and the indications of the Corporate Governance Code, and also provides for the integration of the Enterprise Risk Management model with the principles of corporate sustainability, including those relating to climate issues.
7. The checks carried out and the information received demonstrated that the Risk Management and Control System is adequate in its entirety and suitable for the purpose of risk prevention, as well as to ensure the effective application of the company's rules of conduct. Moreover, the organisational structure of the system itself ensures coordination between the various subjects and functions involved, including through a constant flow of information between the foregoing.
8. The Management Control Committee supervised the monitoring activities of the system implemented by Piaggio for the purposes of ensuring compliance with EU Regulation No. 2016/279 on personal data protection (GDPR), and met with the DPO.
9. With a view to investigating specific risks and monitoring the improvement plans implemented by the management, the Management Control Committee met with the company's management teams in order to look at a number of specific topics in depth (within the limits of its competence), including:
   - the organisation of the Sustainability department, with particular reference to the process of preparing the Consolidated Sustainability Report, as well as relations with the Audit Risk and Sustainability Committee;
   - the organisation of the IT department, with particular reference to the provision of updates on ongoing projects, as well as the activities put in place in the interests of Cyber Security and the related risks and mitigation actions.
10. Through the exchange of information with the Supervisory Body, the Management Control Committee has monitored the constant updating of the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 (hereinafter, "Model 231"), as well as the function of this and its suitability and effectiveness in preventing liability for the offences related to this. The results of these activities are described in detail in the report of the Supervisory Body, submitted to the Board of Directors on 4 March 2025. In general terms, it should be noted that the Supervisory Body oversaw the updating of and adherence to Model 231, which consists of a structured and organic system of procedures and control activities designed to prevent and guard against the risk of commission of the offences referred to in Italian Legislative Decree No. 231/2001.
11. In compliance with Italian Legislative Decree 24 of 2023, the model has been amended and integrated with the new reporting system (Piaggio Group Whistleblowing Policy). The update of Model 231 was approved by the Board of Directors on 30 October 2023, and it is currently undergoing further updates to ensure its adherence to the company's actual operations, following an analysis of the impact of the latest regulatory changes on the company.

12. With reference to the obligation to produce aConsolidated Sustainability Report pursuant to Italian Legislative Decree 125/2024, the Management Control Committee received constant information from the executive in charge of the consolidated sustainability report with regard to the materiality analysis carried out by the company in order to define the non-financial information areas of a social/environmental nature considered relevant for the Group, as well as on the methodologies and reference standards adopted, and finally, on the process of preparing, collecting and validating data at a worldwide level for the purpose of preparing the Consolidated Sustainability Report pursuant to Italian Legislative Decree 125/2024. This included meeting with the appointed consultants and the independent auditors Deloitte, which is in charge of the limited assurance activities relating to the document.
    The Consolidated Sustainability Report 2024 was prepared pursuant to Articles 3 and 4 of Italian Legislative Decree 125/2024, in accordance with the reporting standards adopted by the European Commission pursuant to Article 29-ter of the so-called Accounting Directive, as amended by the CSRD (the so-called "ESRS").
    In order to ensure an understanding of the Group's activities, performance, results and impact, it includes the relevant data pertaining to the company and its fully consolidated subsidiaries.
    It should also be noted that the information in question is compliant with the "double materiality" process that has enabled the impacts, risks and opportunities relevant to the company and the Group to be assessed.
    The checks carried out by the Management Control Committee, both on the process and on the internal control systems deemed to be fit for purpose during the financial year 2024, as well as on reporting within the company, did not reveal any elements or criticalities worthy of mention here.
    With reference to the information required by the European Sustainability Reporting Standards ("ESRS") - adopted by the company as its sustainability reporting standard, in line with the new Corporate Sustainability Reporting Directive (CSRD) - and, more specifically, by the ESRS 2, paragraphs 19 and 20, letters a) and c), paragraph 21, paragraph 23, please refer to the Consolidated Sustainability Report.
13. With reference to the objectives linked to the transition to alternative energy sources and to the actions required in order to tackle climate change, we have been informed of the Group's efforts to ensure a reduction in greenhouse gas emissions through various types of initiatives, as identified in the Piaggio Road Map and as part of its business activities, in addition to adequate reporting of these emissions along the value chain. The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Group's sector of activity were also taken into consideration, and no significant exposures to environmental risks, in particular those related to climate change, were noted.
14. Similarly, the Management Control Committee was kept constantly informed of other sustainability aspects related to social and governance issues and did not raise objection to the information provided by the company in its sustainability reporting as part of the report on operations.
15. The Management Control Committee acknowledged the sustainability report statement pursuant to Article 154-bis, paragraph 5-ter of the Consolidated Law on Financial Intermediation, as issued by the CEO and the e in charge of the Consolidated Sustainability Report.
    It is acknowledged that, in the course of the supervisory activity described above, no omissions, reprehensible acts or irregularities emerged that would require reporting in this report. Moreover, the Internal Audit team and the Supervisory Body, as well as the other corporate functions with whom the Management Control Committee has periodically met have not reported any particular critical issues within their respective areas of competence. The Annual Report on Corporate Governance and Corporate Ownership 2024 did not reveal any issues to be brought to the attention of you, in your capacity as company shareholders.
    We therefore conclude that the financial disclosure process, the non-financial disclosure process, the effectiveness of the internal control, internal audit and risk management systems, and the statutory audit of the annual and consolidated accounts all appear to be adequate

Remuneration of directors and executives with strategic responsibilities

1. The Management Control Committee has ascertained the consistency of the remuneration provided to the Board of Directors, the Chief Executive Officer and the executive directors with the remuneration policy, despite the introduction of an amendment to the remuneration policy as approved at the company's Ordinary General Shareholders' Meeting of 17 April 2024. This amendment was made in order to include certain clarifications with particular reference to the variable component of the executive directors' remuneration, with regard to, inter alia, the related sustainability objective; the Management Control Committee also expressed its opinion on the remuneration of directors for special roles.
   The features of the remuneration policies, as approved by the Board of Directors in its meeting of 4 March 2025, are illustrated in the Report on the Remuneration Policy and on Salaries Paid, a report drawn up pursuant to Article 123-ter of the Consolidated Law on Financial Intermediation, available on Piaggio's website, the first section of which will be submitted for the examination and binding vote of you as a company Shareholder.

Monitoring of the reporting process on the independence of the independent auditors, with particular regard to the provision of non-audit services

1. The Management Control Committee has periodically met with representatives of the independent auditors, which the General Shareholders' Meeting of Piaggio of 22 April 2020 appointed as independent auditors for the financial years 2021-2029, and has constantly received information on the work and audit plans prepared, the progress of these, and the relative results. No data and/or relevant aspects have emerged in relation to issues that fall within the control of the Management Control Committee in its capacity as internal control and audit committee, pursuant to Article 19 of Italian Legislative Decree 39/2010, as highlighted herein.
2. The Management Control Committee monitored compliance with the procedural rules concerning the preparation and publication of the Consolidated Financial Statements, pursuant to Article 41 of Italian Legislative Decree No. 127 of 4 April 1991 and Article 154-ter of the Consolidated Law on Financial Intermediation.
3. On today's date (24 March 2025), the independent auditors issued the reports required by Article 14 of Italian Legislative Decree 39/2010 and Article 10 of Regulation (EU) No. 537/2014, expressing an "unmodified opinion" on the company's individual and consolidated financial statements as at 31 December 2024. With regard to the section on "key aspects of the audit", the independent auditors considered the following, with reference to both the individual and consolidated financial statements: verification of capitalisation criteria for investments in development costs, industrial patent rights and know-how, assessment of the recoverability of goodwill and assessment of the recoverability of deferred tax assets. There were no remarks or requests for information in these reports. Similarly, no relevant issues arose during the meetings held with the auditors pursuant to Article 150(2) of the Consolidated Law on Financial Intermediation.
   The independent auditors also maintains - pursuant to Article 14, paragraph 2, letter e) of Italian Legislative Decree 39/2010 - that the report on operations and the information in the Report on Corporate Governance and Corporate Ownership indicated in Article 123-bis, paragraph 4 of the Consolidated Law on Financial Intermediation, are consistent with the company's financial statements and the Group's consolidated financial statements as of 31 December 2024. There are no disclosures relating to the drafted reports. With reference to the XHTML format and marking, the independent auditors certify the compliance thereof with the provisions of the delegated Regulation, including on the basis of Assirevi's indications.
4. On the same date as referred to above, the independent auditors also provided the Management Control Committee with the additional report as required by Article 11 of Regulation (EU) No. 537/2014, pursuant to Article 19 of Italian Legislative Decree No. 39/2010; as stated in the judgement on the financial statements, the report does not contradict this judgment. The audit did not reveal any significant difficulties encountered during the audit itself, nor any significant deficiencies in the internal control system in relation to the financial disclosure process that were deemed worthy of being brought to the attention of those responsible for governance activities. Audit differences were found in both the separate and consolidated financial statements, which were below the materiality threshold.
5. It should be noted that the report pursuant to Article 11 of Regulation (EU) No. 537/2014 also integrates the independent auditors' declaration of independence, as referred to in Article 6(2)(a) of Regulation (EU) No. 537/2014; however, it reports on specific matters.
6. The Management Control Committee will inform the Board of Directors about the significant issues indicated in the independent auditors' Report, pursuant to Article 14 of Italian Legislative Decree No. 39/2010. Finally, the Management Control Committee acknowledged the transparency report drafted by the independent auditors, published on its website pursuant to Article 18 of Italian Legislative Decree 39/2010.
7. Finally, on 24 March 2025, the independent auditors also issued a report pursuant to Article 14-bis of Italian Legislative Decree No. 39/2010, which confirmed the preparation of the Consolidated Sustainability Report as well as attesting to the conformity - the so-called limited assurance - without evidence of any relevance.
8. The Management Control Committee monitored the independence of the independent auditors pursuant to Article 19 of Italian Legislative Decree no. 39/2010, verifying the nature and extent of all appointments received by Piaggio and/or Group companies (Italian and foreign, both EU and non-EU) for services other than the legal audit, details of which are provided in the Notes to the Consolidated Financial Statements, pursuant to Article 149-duodecies of the CONSOB Regulation on Issuers with regard to the disclosure of fees.

Below is a table which summarises the fees paid for auditing services and services other than auditing provided by the independent auditors Deloitte & Touche S.p.A. and entities in its network during the financial year 2024:

DESCRIPTION	SERVICE PROVIDER	RECIPIENT	FEES DUE 2024
Auditing services (Auditing of accounts and certification services)	Deloitte & Touche S.p.A.	Parent company - Piaggio & C. S.p.A.	EUR 625,537 of which EUR 371,569 for auditing of accounts and EUR 253,968 for certification services
Services other than auditing	Deloitte & Touche S.p.A.	Parent company - Piaggio & C. S.p.A.	EUR 35,000
Total Parent company			***EUR 660,537***
Auditing services	Other auditors	Subsidiaries	EUR 19,558
(Auditing of accounts and certification services)	Deloitte & Touche S.p.A. and Deloitte & Touche Network	Subsidiaries	EUR 602,893 of which EUR 555,521 for auditing of accounts and EUR 47,372 for certification services
Services other than auditing	Deloitte & Touche S.p.A., Deloitte & Touche Network	Subsidiaries	-
Total Subsidiaries			***EUR 622,451***
General total			**EUR 1,282,988**

9. With regard to these appointments, which differ from auditing roles (not belonging to those forbidden under Article 5(1) of Regulation (EU) 537/2014), and the relative fees, the Management Control Committee considered these to be appropriate with regard to scope and complexity of the services entrusted, and as such, compatible with the statutory audit role, given that there were no anomalies that would affect the independence criteria of the independent auditors. The company has a specific procedure for such assignments.
10. With regard to the adjustment of the fees to be paid to Deloitte & Touche S.p.A. on account of the activities performed in connection with sustainability reporting, the Management Control Committee acknowledges that Article 18 of Italian Legislative Decree no. No. 125/2024 envisages, on a transitional basis, the possibility that roles relating to the Non-Financial Statement attestation, conferred under the previous regulations, remain valid until their agreed expiry date, including for the purpose of attesting the compliance of sustainability reporting. The company has availed itself of this option, and with the approval of the Management Control Committee, has updated the fees to be paid to the independent auditors already engaged to certify the Non-Financial Statements for the financial years 2021 - 2029.

Further activities of the Management Control Committee; opinions, reports and observations

1. The Management Control Committee provided its opinion as required by law on the proposed emoluments pursuant to Article 2389(3) of the Italian Civil Code to be paid to the executive directors, as proposed by the relevant internal board committees; it also verified the consistency of the remuneration attributed to the Board of Directors and the executive directors, with the remuneration policy.
2. The Management Control Committee acknowledges that in the course of its activities and on the basis of the information obtained, it did not make any report to CONSOB.
3. The Management Control Committee acknowledges that on 2 September 2024, it received a complaint pursuant to Article 2408 of the Italian Civil Code from the shareholder Bava concerning the following matters, as indicated by the aforementioned shareholder: “False statement by the Chairman at the Piaggio Ordinary Shareholders’ Meeting of 17.04.2024: page 3 of the minutes: PIAGGIO individual and extraordinary proposals for integration as at 17.04.24 for the non-application of the right of withdrawal pursuant to Article 2437, paragraph 1, points f) and/or g) of the Italian Civil Code for amendment of Article 8.4 of the Articles of Association were not presented.” In light of the fact that CONSOB was informed of the complaint directly by the shareholder, on 26 September 2024, the Management Control Committee informed the abovementioned authority of the initiatives it had taken in accordance with the provisions of Article 2408 of the Italian Civil Code, even though the outcome of the checks carried out served to exclude the existence of the reported irregularities. With regard to the minutes, the Management Control Committee found that the elements reported therein were historically true - that is, no requests for additions to the agenda were submitted pursuant to Article 126-bis of the Consolidated Law on Financial Intermediation - meaning those submitted by shareholders with a qualified shareholding equal to one-fortieth of the share capital, with the application of the procedure set forth in the aforementioned article of law. It was also noted that, in formulating the draft resolution for a liability action, the shareholder Marco Bava himself specified that his proposal was not intended to be formulated pursuant to Article 126-bis of the Consolidated Law on Financial

Intermediation. Finally, it was confirmed that the draft resolution of the shareholder Marco Bava was fully reproduced in the document which contained the answers to the questions received pursuant to Article 127-ter of the Consolidated Law on Financial Intermediation, where the reasons why this was not put to the vote were also specified. This document was published on the company's website and was then attached to the minutes of the meeting, as an integral part thereof. With regard to the failure to recognise the right of withdrawal in relation to the amendment to the Articles of Association that introduced the possibility of holding meetings exclusively in the presence of the Designated Representative, the Management Control Committee noted that there are case law guidelines confirming the non-existence of the right of withdrawal. The company's decision not to recognise the right of withdrawal therefore appeared consistent with these views and guidelines and is thus adequately justified.

4. The Management Control Committee did not find the existence of any of the cases referred to in Article 2409 of the Italian Civil Code.
5. The Management Control Committee monitored the reply that the company gave to CONSOB on the occasion of an information request received by the latter, pursuant to Article 115 of the Consolidated Law on Financial Intermediation. In the course of its supervisory activities, the Management Control Committee constantly interacted with the corporate functions that carried out the investigations preparatory to the answer provided, as well as with the person in charge of internal control, and with the Supervisory Board, ascertaining the correctness of the answer provided with respect to the investigations carried out.
6. Finally, the Management Control Committee acknowledges that, on the basis of the information obtained in the course of its supervisory activities, no omissions, reprehensible acts, irregularities or, in any case, significant circumstances such as to require other reports to be made to the authorities or mention in this report have been detected; moreover, no other complaints were received, and as such, there are no irregularities pursuant to Article 149(3) of the Consolidated Law on Financial Intermediation.

The Management Control Committee verified that the recommendations of CONSOB and ESMA (European Securities and Markets Authority) valid for the financial year 2024 were correctly implemented in the Financial Report 2024.

With regard to the Annual General Meeting called on 15 April 2025, the Management Control Committee notes that the company will make use of the option of holding this meeting with the participation of the exclusively designated representative, in accordance with Article 8.4 of the Articles of Association.

In this regard, the Management Control Committee will work in close coordination with the Board of Directors to ensure that the General Shareholders' Meeting can be held in an orderly manner, with the rights of shareholders duly exercised, in compliance with the aforementioned provisions of the Articles of Association.

Proposals to the General Shareholders' Meeting with regard to the financial statements for the year which ended on 31 December 2024 and the allocation of the result for the year

Having acknowledged the financial statements for the financial year which ended on 31 December 2024, and in consideration of the specific tasks assigned to the independent auditors with regard to the auditing the accounts and the verification of the reliability of the financial statements, the Management Control Committee has no objection to make with regard to its approval, or to the Board of Directors' proposed resolution on the allocation of the profit for the year as follows:
- EUR 3,341,938.22 to the legal reserve;
- EUR 19,191,268.35 to the earnings reserve from the valuation of investments with the equity method;
- EUR 44,305,557.81 to shareholders by way of a dividend, of which EUR 40,733,677.12 by way of an interim dividend already paid;

as well as with regard to the proposal to distribute - as a settlement of the interim dividend already paid - a dividend equal to €0.040 for each ordinary share entitled to a maximum total of EUR 14,141,815.52, using for this purpose EUR 3,571,880.69 from the available profit for the year as well as EUR 10,569,934.83 from the "Retained Earnings" reserve.

Pontedera, 24 March 2025

The Management Control Committee

Raffaella Pagani (Chairwoman)

Alessandro Lai (Member)

Paola Mignani (Member)

We would like to thank all colleagues who, with their valuable cooperation, have contributed to this project, and made the drafting of this document possible.

This report is available on the Internet at:
www.piaggiogroup.com

Disclaimer

This document does not comply with the ESEF format required by the Delegated Regulation of the European Commission 2019/815 and therefore represents an unofficial version of the Integrated Annual Report 2024. The official ESEF document is published and filed according to the provisions of the law.

This Financial Report as of 31 December 2024 has been translated into English solely for the convenience of the international reader. In the event of conflict or inconsistency between the terms used in the Italian version of the report and the English version, the Italian version shall prevail, as the Italian version constitutes the sole official document.

PIAGGIO GROUP

Management and Coordination
IMMSI S.p.A.
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