



**Piaggio & C. S.p.A.**

**Explanatory Memorandum**

**Financial Statements of Piaggio & C S.p.A. as of 31 December 2019; presentation of Consolidated Financial Statements of the Piaggio Group as of 31 December 2019; Directors' Report on Operations for 2019 and proposal for the allocation of operating profits; Board of Statutory Auditors Report; Independent Auditors' Report; related and consequent resolutions.**

Dear Shareholders,

the Board of Directors of your Company has convened the ordinary Shareholders' Meeting for the approval of the draft of the financial statements for Piaggio & C. S.p.A. as at 31 December 2019.

The financial statements as at 31 December 2019 closed with a profit of Euro 46,210,954.66 we refer to the Report on Operations prepared by the Board of Directors and available for the Shareholders.

Therefore, we propose to allocate the profit as follows:

- Euro 2,310,547.73 as legal reserve;
- Euro 5,330,867.93 as reserve for equity-accounted investees;
- Euro 38,569,539.00 to the Shareholders as a dividend.

Furthermore, taking into account the amount of the available reserves arising from the Company's financial statements, equal to €5,562,741.94 (net of development costs - pursuant to Article 2426 no. 5 of the Italian Civil Code) and the purchases of treasury shares made by the Company, also taking into account the Group's prospects, we hereby propose to distribute a dividend of €0.11, gross of taxes, per eligible ordinary share, for a total amount of €39,299,405.86 to the "Retained earnings" reserve of €729,866.86 and €38,569,539.00 to the remaining 2019 profit after allocations to the legal reserve and to the equity investment valuation reserve using the equity method.

As resolved by the Board of Directors on 26 July 2019, the Company paid an interim dividend of €0.055 on 25 September 2019, with the coupon detachment date on 23 September 2019 and the payment on 25 September 2019 and we therefore propose to pay, as the balance of the interim dividend already paid, a dividend of €0.055 for each eligible ordinary share, for a maximum total of €19,649,015.43 to be taken from the available profit for the year with coupon no. 14 on 20 April 2020, with a record date of 21 April 2020 and payment date of 22 April 2020.

The Board of Directors will also report on the consolidated financial statements as at 31 December 2019 and on the consolidated non-financial statement as at 31 December 2019.

Therefore, we hereby submit the following resolution proposal for your approval:

*"The Ordinary General Shareholders Meeting of Piaggio & C. S.p.A.,*

- *having heard and approved the statements of the Board of Directors;*
- *and in acknowledgement of the Report of the Board of Statutory Auditors, the Report of the Auditing Company, the Consolidated Financial Statements as at 31 December 2019 and the Consolidated non-financial Statement as at 31 December 2019,*

***resolves***

1. *to approve the Report of the Board of Directors, the Financial Statements as of 31 December 2019 and the Consolidated Financial Statement as of 31 December 2019 in all their parts and*

*This document has been written in Italian and translated in English. For any conflict or discrepancies between the two texts the Italian text shall prevail.*

*findings;*

2. *to approve the following allocation of the profits:*
  - *Euro 2,310,547.73 as legal reserve;*
  - *Euro 5,330,867.93 as reserve for equity-accounted investees;*
  - *Euro 38,569,539.00 to the Shareholders as a dividend, of which 19,650,390.43 as an advance payment already paid*
3. *to distribute a dividend of Euro 0.055, gross of taxes, per ordinary share having the right for a maximum total of Euro 19,649,015.43, using the profit for the year for Euro 38,569,539.00 2019 residual after the allocations resolved above to the legal reserve and the valuation reserve of equity investments using the equity method and the Retained earnings reserve for Euro 729,866.86*
4. *to schedule 20<sup>rd</sup> April 2020 as ex-dividend date (coupon No. 14), 21<sup>th</sup> April 2019 as dividend record date and 22<sup>th</sup> April 2020 as the date from which the dividend is payable".*

*\* \* \**

The documentation required pursuant to Article 154-ter of the Italian Legislative Decree no. 58/1998 will be made publicly available at least twenty one days prior to the date of the Shareholders' Meeting on first call.

Mantova, February 26, 2020

For the Board of Directors  
Chairman and Chief Executive Officer  
(Roberto Colaninno)