



Piaggio & C. S.p.A.

Explanatory Memorandum

- 1) Financial Statements of Piaggio & C. S.p.A. as of 31 December 2020 and allocation of profit for the year;**
- 1.1) Approval of the Financial Statements of Piaggio & C. S.p.A. as of 31 December 2020, review of the Report on Operations for 2020 and Reports of the Board of Statutory Auditors and Independent Auditors; presentation of the Consolidated Financial Statements as of 31 December 2020 of the Piaggio Group; related and consequent resolutions.**
- 1.2) proposal to allocate profit for the year; related and consequent resolutions.**

Dear Shareholders,

The Board of Directors of your Company has convened the Ordinary Meeting of Shareholders to propose the approval of the draft financial statements of Piaggio & C. S.p.A. as of 31 December 2020.

The Financial Statements as of 31 December 2020 record a profit for the period equal to € 36,749,369.71; as regards the above, reference is made to the Notes and Report on Operations prepared by the Board of Directors of the Company and already available to Shareholders.

We therefore propose allocating profit as follows:

- € 1,837,468.49 to the legal reserve;
- € 18,130,481.98 to the earnings reserve from the valuation of investments with the equity method.
- € 16,781,419.24 to shareholders as a dividend.

Furthermore, taking into account that the financial statements include available reserves of € 6,274,086.57 net of development costs– pursuant to Article 2426 no. 5 of the Italian Civil Code– and of share buybacks by the Company, and also taking into account the Group's prospects, we propose to distribute a dividend of € 0.063 before tax, for each eligible ordinary share, for a total maximum amount of € 22,498,864.04, to be charged as follows: € 5,717,444.80 to the "Retained earnings" reserve and € 16,781,419.24 to the residual profit for 2020 after allocations to the legal reserve and to the reserve for the valuation of equity investments using the equity method.

As resolved by the Board of Directors on 30 October 2020, on 25 November 2020, the Company paid an interim dividend of €0.037 with an ex-dividend date of 23 November 2020 and payment on 25 November 2020. We therefore propose that you pay, as the balance of the interim dividend already paid, a dividend of €0.026 per eligible common share, for a total of a maximum of €9,285,245.48, to be taken €3,567,800.68 from the remaining profit for the year 2020 after the aforementioned allocations, and €5,717,444.80 from the "Retained earnings" reserve, with an ex-dividend date of coupon no. 16 on 19 April 2021, record date 20 April 2021 and payment date 21 April 2021.

The Board of Directors will also notify/submit you of the Consolidated Financial Statements as of 31 December 2020 and the Consolidated Non-Financial Report as of 31 December 2020.

We therefore propose for your approval the following draft resolutions:

-First resolution-

“The Shareholders' Meeting of Piaggio & C. S.p.A. meeting in ordinary session,

- *having been informed of and approved the information put to it by the Board of Directors;*
- *having examined the Board of Statutory Auditors' Report, the Independent Auditors' Report, the Consolidated Financial Statements as of 31 December 2020 and the Consolidated Non-Financial Statement as of 31 December 2020,*

resolves

1. *to approve the Report on Operations, the Separate Financial Statements and Consolidated Financial Statements as at 31 December 2020 in full;*

-Second resolution-

2. *to approve the distribution of profit for the period as follows:*
 - *€ 1,837,468.49 to the legal reserve;*
 - *€ 18,130,481.98 to the earnings reserve from the valuation of investments with the equity method.*
 - *€ 16,781,419.24 to shareholders as a dividend, of which € 13,213,618.56 already paid by way of interim dividend.*
3. *to distribute, as the balance of the interim dividend already paid, a dividend equal to € 0.026 per eligible ordinary share, up to a total maximum of € 9,285,245.48, drawing for this purpose on € 3,567,800.68 of the profit for the 2020 financial year remaining after the above-resolved allocations to the legal reserve and to the reserve from the valuation of equity investments using the equity method and € 5,717,444.80 from the "Retained earnings" reserve.*
4. *to establish April 19th 2021 as the coupon no. 16 detachment date, April 20th 2021 as the dividend record date and April 21st 2021 as the date from which the dividend is payable.*

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Documents pursuant to 154-ter of Legislative Decree no. 58/1998 will be made available to the public at least twenty-one days prior to the date of the Shareholders' Meeting convened on first call.

Mantua, March 3rd 2021

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