

(Translation from the Italian original which remains the definitive version)

**DRAFT 2018 FINANCIAL STATEMENTS
OUTLOOK FOR 2019
ANNUAL REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE
REMUNERATION REPORT
CONSOLIDATED NON-FINANCIAL STATEMENT
CALLING OF SHAREHOLDERS' MEETING**

Cambiano, 22 March 2019 – The Board of Directors of Pininfarina S.p.A., chaired by Paolo Pininfarina, met today and approved the draft 2018 separate and consolidated financial statements, the annual report on corporate governance and ownership structure, the remuneration report and the consolidated non-financial statement and called the ordinary shareholders' meeting.

The 2018 and 2017 key financial figures of the Pininfarina Group are as follows:

(€'million)	Draft 2018 financial statements	2017	Variation
Revenue	105.3	87.1	18.2
EBITDA	12.6	7.5	5.1
EBIT	3.8	4.2	-0.4
Net financial expense	-2.4	-2.1	-0.3
Profit for the year	2.2	1.3	0.9
Net financial position (debt)	5.2	12.0	-6.8
Equity	61.7	58.8	2.9

EBITDA is the operating profit or loss gross of amortisation, depreciation, provisions, impairment losses, reversals of impairment losses and utilisation of provisions.

EBIT is the operating profit or loss.

Pursuant to article 154-bis.2 of the Consolidated finance act, the manager in charge of financial reporting, Gianfranco Albertini, states that the financial disclosures provided in this press release are consistent with the relevant documentation, ledgers and accounting records.

The Group

The Group recognised revenue of €105.3 million for 2018, an improvement of 21% on the previous year seen principally in the Italian and Chinese design services segment and one-off and show car production activities.

The gross operating profit increased to €12.6 million from €7.5 million in 2017 mainly thanks to the contribution of the parent and Pininfarina Shanghai. The operating profit decreased by €0.4 million to €3.8 million due to a provision of the credit depreciation fund of €5.3 million.

The Group's net financial expense for the year amounted to €2.4 million compared to €2.1 million for 2017.

The Group recognised a tax benefit of €0.8 million compared to a tax expense of €0.8 million in the previous year, thanks to the recognition of deferred tax assets, which did not exist in 2017. As a result of the above, the Group recorded a profit for the year of €2.2 million compared to €1.3 million for the previous year.

The Group's equity rose from €58.8 million at 31 December 2017 to €61.7 million at the reporting date (+5%), principally due to the profit for the year.

The net financial position decreased to €5.2 million from €12 million at 31 December 2017, substantially due to working capital trends towards the end of the year.

The workforce numbered 656 at the reporting date (31 December 2017: 610, +7.5%).

2018 performance by business segment

Operations

In addition to the revenue from the sale of spare parts for cars manufactured in previous years, royalties for the use of the trademark in the automotive segment and business lease income, this segment bears the costs of the parent's support and property management departments and the impairment losses recognised



in the loss allowance. It recognised revenue of €7.9 million (€10.2 million in 2017; -23%), accounting for 7.5% of consolidated revenue (11.7% in 2017). The decrease is mainly due to a decrease in sales of spare parts for cars, whose production was discontinued, and the sale of a concept car in 2017, which did not repeat in 2018. The segment's operating loss was €10.3 million compared to €5.2 million for 2017.

Services

This segment, comprising the design, industrial design and engineering businesses, recognised revenue of €97.4 million (€76.9 million in 2017; +27%). The considerable increase is mostly due to the greater volume of design activities performed in Italy and China and of the production of one-off and show cars. The segment contributed 92.5% to the Group's revenue (88.3% in 2017). The segment's operating profit amounted to €14.1 million, a considerable improvement on the €9.4 million for 2017.

The key financial figures of the parent are summarised below:

(€million)	Draft financial statements 2018	2017	Variation
Revenue	63.2	53.5	9.7
EBITDA	8.8	4.6	4.2
EBIT	6.5	2.2	4.3
Net financial expense	-1.6	-1.4	-0.2
Profit for the year	5.7	0.6	5.1
Net financial position (debt)	-0.1	7.5	-7.6
Equity	66.2	59.8	6.4

EBITDA is the operating profit or loss gross of amortisation, depreciation, provisions, impairment losses, reversals of impairment losses and utilisation of provisions.

EBIT is the operating profit or loss.

Events after the reporting date

Apart from the merger by incorporation of Pininfarina Extra S.r.l. in Pininfarina SpA, no significant events occurred after the end of the year.

Outlook for 2019

The Group is expected to consolidate the results achieved for 2018 and to reduce its gross financial debt.

Annual report on corporate governance and ownership structure, Remuneration report and Consolidated non-financial statement

The Board of Directors also approved the Annual report on corporate governance and ownership structure, the Remuneration report and the Consolidated non-financial statement for 2018. They will be available in the "Investor Relations - Corporate governance" section of the parent's website (www.pininfarina.com) as from 20 April 2019, as well as through the other methods provided for by current legislation.

The Board of Directors called the **shareholders' meeting for 13 May 2019, at 11.30 a.m. at Pininfarina S.p.A.'s offices in Cambiano (TO)** on first call and, if necessary, for 14 May 2019 on second call, same time and place. The agenda includes the approval of the 2018 financial statements, allocation of the profit for the year, the approval of the 2018 Financial statement of the subsidiary Pininfarina Extra S.r.l. (merged by incorporation in Pininfarina S.p.A. from 1st January 2019), the approval of the 2018 remuneration report and the appointment of the Board of Directors due to expiry of its three-year term of office. Lastly, during the meeting, some non-substantive changes to the Regulations for transactions with Related Parties were approved, which, in the updated version, will be published shortly on the company's website.

The Board of Directors did not propose any dividend distribution.

Contatti:

Pininfarina:

Gianfranco Albertini, Direttore Finanza e Investor Relations, tel. 011.9438367

Francesco Fiordelisi, Responsabile Comunicazione Corporate e Prodotto, tel. 011.9438105/335.7262530

Mailander:

Carolina Mailander, tel. 011.5527311/335.6555651

Carlo Dotta, tel. 333.2306748



RECLASSIFIED FINANCIAL STATEMENTS (*)

(*) The reclassified financial statements group the figures presented in the legally-required statements to improve their understanding, without however changing their presentation logic.

The terms "EBITDA" and "EBIT" as used in the reclassified financial statements are the "operating profit or loss", gross of amortisation, depreciation, provisions, impairment losses, reversals of impairment losses and utilisation of provisions, and "operating profit or loss" presented in the IFRS financial statements, respectively.

PININFARINA GROUP
Reclassified income statement
(€'000)

			Data at		Variation
	2018	%	2017	%	
Revenue from sales and services	97.528	92,59	79.714	91,53	17.814
Change in finished goods	(26)	(0,02)	(22)	(0,03)	(4)
Other revenue and income	7.825	7,43	7.410	8,50	415
Revenue	105.327	100,00	87.102	100,00	18.225
Net gains on the sale of non-current assets	184	0,17	137	0,16	47
Materials and services (*)	(42.900)	(40,73)	(35.245)	(40,46)	(7.655)
Change in raw materials	41	0,04	85	0,10	(44)
Value added	62.652	59,48	52.079	59,80	10.573
Labour cost (**)	(50.038)	(47,50)	(44.596)	(51,20)	(5.442)
Gross operating profit	12.614	11,98	7.483	8,60	5.131
Amortisation and depreciation	(3.433)	(3,27)	(3.023)	(3,47)	(410)
(Additions to)/utilisation of provisions and impairment losses	(5.386)	(5,11)	(232)	(0,27)	(5.154)
Operating profit	3.795	3,60	4.228	4,86	(433)
Net financial expense	(2.397)	(2,27)	(2.107)	(2,42)	(290)
Share of profit (loss) of equity-accounted investees	(21)	(0,02)	12	0,01	(33)
Profit before taxes	1.377	1,31	2.133	2,45	(756)
Income taxes	796	0,75	(821)	(0,94)	1.617
Profit for the year	2.173	2,06	1.312	1,51	861

(*) **Materials and services** are net of utilisations of the provisions for product warranty and risks (€1 thousand and €2,9 thousand for 2017 and 2018, respectively).

(**) **Labour cost** is net of utilisations of the restructuring provision (€9 thousand and €42,4 thousand for 2017 and 2018, respectively).

As required by Consob resolution no. DEM/6064293 of 28 July 2006, a reconciliation of the data in the consolidated financial statements with those in the reclassified schedules is provided below:

- Materials and services include raw materials and components, other variable production costs, external variable engineering services, exchange rate gains and losses and other expenses.
- Amortisation and depreciation comprise amortisation of intangible assets and depreciation of property, plant and equipment and investment property.
- (Additions to)/utilisation of provisions and impairment losses include additions to/utilisation of provisions, impairment losses and inventory write-downs.
- Net financial expense comprises net financial expense and dividends.



PININFARINA GROUP
Reclassified statement of financial position
(€'000)

	Data at		
	31.12.2018	31.12.2017	Variation
Net non-current assets (A)			
Net intangible assets	7.326	1.672	5.654
Net property, plant and equipment and investment property	49.979	49.557	422
Equity investments	857	349	508
Total A	58.162	51.578	6.584
Working capital (B)			
Inventories	408	393	16
Contract assets	3.131	1.483	1.648
Net trade receivables and other assets	34.647	31.439	3.208
Assets held for sale	-	252	(252)
Deferred tax assets	3.019	881	2.138
Trade payables	(16.595)	(15.606)	(989)
Contract liabilities	(13.566)	(11.178)	(2.388)
Provisions for risks and charges	(620)	(596)	(24)
Other liabilities (*)	(7.268)	(7.010)	(258)
Total B	3.156	58	3.098
Net invested capital (C=A+B)	61.318	51.636	9.682
Post-employment benefits (D)	4.778	4.789	(11)
Net capital requirements (E=C-D)	56.540	46.847	9.693
Equity (F)	61.749	58.803	2.946
Net financial position (G)			
Non-current loans and borrowings	21.891	24.275	(2.384)
Net current financial position	(27.100)	(36.231)	9.131
Total G	(5.209)	(11.956)	6.747
Total as in E (H=F+G)	56.540	46.847	9.693

(*) Other liabilities include the following items: deferred tax liabilities, other financial liabilities, current tax liabilities and other liabilities.

PININFARINA GROUP
Net financial position (debt)
(€'000)

	Data at		
	31.12.2018	31.12.2017	Variation
Cash and cash equivalents	18.357	39.785	(21.428)
Current assets held for trading	13.106	-	13.106
Current bank overdrafts	(725)	-	(725)
Current portion of bank loans and borrowings	(3.638)	(3.554)	(84)
Net current financial position	27.100	36.231	(9.131)
Non-current loans and receivables - third parties	-	-	-
Non-current loans and receivables - related parties	550	100	450
Non-current held-to-maturity investments	-	-	-
Non-current finance lease liabilities	-	-	-
Non-current bank loans and borrowings	(22.441)	(24.375)	1.934
Non-current loans and borrowings	(21.891)	(24.275)	2.384
NET FINANCIAL POSITION	5.209	11.956	(6.747)

PININFARINA S.p.A. Reclassified income statement

(€'000)

	Data at				
	2018	%	2017	%	Variation
Revenue from sales and services	56.554	89,45	46.937	87,79	9.617
Change in finished goods	(15)	(0,02)	(33)	(0,06)	18
Other revenue and income	6.684	10,57	6.568	12,28	116
Revenue	63.223	100,00	53.472	100,00	9.751
Net gains on the sale of non-current assets	184	0,29	137	0,26	47
Materials and services (*)	(32.099)	(50,77)	(25.316)	(47,35)	(6.783)
Change in raw materials	41	0,07	85	0,16	(44)
Value added	31.349	49,58	28.378	53,07	2.971
Labour cost (**)	(22.589)	(35,72)	(23.747)	(44,41)	1.158
Gross operating profit	8.760	13,86	4.631	8,66	4.129
Amortisation and depreciation	(2.567)	(4,06)	(2.233)	(4,17)	(334)
(Additions to)/utilisation of provisions and impairment (losses) and gai	264	0,42	(186)	(0,35)	450
Operating profit	6.457	10,21	2.212	4,14	4.245
Net financial expense	(1.580)	(2,51)	(1.361)	(2,55)	(219)
Share of loss of equity-accounted investees	(33)	(0,05)	-	-	(33)
Profit before taxes	4.844	7,66	851	1,59	3.993
Income taxes	886	1,41	(242)	(0,45)	1.128
Profit for the year	5.730	9,06	609	1,14	5.121

(*) **Materials and services** are net of utilisations of the provisions for product warranty and risks (€1 thousand and €7 thousand for 2017 and 2018, respectively).

(**) **Labour cost** is net of utilisations of the restructuring provision (€9 thousand and €44 thousand for 2017 and 2018, respectively).

As required by Consob resolution no. DEM/6064293 of 28 July 2006, a reconciliation of the data in the separate financial statements with those in the reclassified schedules is provided below:

- **Materials and services** include raw materials and components, other variable production costs, external variable engineering services, exchange rate gains and losses and other expenses.
- **Amortisation and depreciation** comprise amortisation of intangible assets and depreciation of property, plant and equipment and investment property.
- **(Additions to)/utilisation of provisions and impairment losses include additions to/utilisation of provisions, impairment losses and inventory write-downs.**
- **Net financial expense** comprises net financial expense and dividends.



PININFARINA S.p.A.
Reclassified statement of financial position

(€'000)

	31.12.2018	Data at 31.12.2017	Variation
Net non-current assets (A)			
Net intangible assets	5.963	451	5.512
Net property, plant and equipment and investment pro	40.231	40.406	(175)
Equity investments	24.044	21.578	2.466
Total A	70.238	62.435	7.803
Working capital (B)			
Inventories	266	239	27
Contract assets	839	1.168	(329)
Net trade receivables and other assets	22.387	22.193	194
Assets held for sale	-	252	(252)
Deferred tax assets	1.255	-	1.255
Trade payables	(14.566)	(14.079)	(487)
Contract liabilities	(7.541)	(10.537)	2.996
Provisions for risks and charges	(528)	(589)	61
Other liabilities	(3.341)	(4.750)	1.409
Total B	(1.230)	(6.103)	4.873
Net invested capital (C=A+B)	69.008	56.332	12.676
Post-employment benefits (D)	2.717	4.047	(1.330)
Net capital requirements (E=C-D)	66.291	52.285	14.006
Equity (F)	66.239	59.795	6.444
Net financial (position) debt (G)			
Non-current loans and borrowings	20.025	22.725	(2.700)
Net current financial position	(19.973)	(30.235)	10.262
Total G	52	(7.510)	7.562
Total as in E (H=F+G)	66.291	52.285	14.006

PININFARINA S.p.A.
NET FINANCIAL POSITION (DEBT)

(€'000)

	31.12.2018	Data at 31.12.2017	Variation
Cash and cash equivalents	11.183	34.064	(22.881)
Current assets held for trading	13.106	-	13.106
Loans and borrowings - related parties	(738)	(335)	(403)
Current portion of bank loans and borrowings	(3.578)	(3.494)	(84)
Net current financial position	19.973	30.235	(10.262)
Non-current loans and receivables - related parties	2.326	1.500	826
Non-current bank loans and borrowings	(22.351)	(24.225)	1.874
Non-current loans and borrowings	(20.025)	(22.725)	2.700
NET FINANCIAL POSITION (DEBT)	(52)	7.510	(7.562)



Related party transactions - Pininfarina Group

The table below, which is presented pursuant to Consob communication no. DEM/6064293 of 28 July 2006, summarises related party transactions, including intragroup transactions. These transactions were carried out at market conditions, consistent with the nature of the goods exchanged or services provided. They were neither atypical nor unusual for the purposes of the above-mentioned communication.

	Commercial		Financial		Operating		Financial	
	Assets	Liabilities	Assets	Liabilities	Revenue	Expense	Income	Expense
Goodmind S.r.l.	-	-	-	-	5.333	-	2.157	-
Signature S.r.l.	42.312	26.428	550.000	-	109.645	104.369	-	-
Tech Mahindra Ltd	46.309	271.905	-	-	124.486	1.110.090	-	-
Tech Mahindra GmbH	-	-	-	-	134.068	-	-	-
Mahindra&Mahindra Limited	2.404.982	-	-	-	12.353.864	-	-	-
Mahindra Graphic Research Design S.r.l.	-	194.730	-	-	-	638.494	-	-
Ssangyong Motor Company	-	-	-	-	415.794	-	-	-
Automobili Pininfarina GmbH	335.845	-	-	-	4.858.457	-	-	-
Total	2.829.448	493.063	550.000	-	18.001.647	1.852.953	2.157	-

Intragroup transactions include:

- Goodmind S.r.l.: loan agreement with Pininfarina Extra S.r.l. and lease for equipped office premises with the parent terminated in February 2018;
- Signature S.r.l.: loan agreement with the parent, purchases and sales of goods with Pininfarina Extra S.r.l.;
- Tech Mahindra Ltd: services agreements with Pininfarina Deutschland GmbH, Pininfarina S.p.A. and Pininfarina of America Corp.; sales of goods by Pininfarina Extra S.r.l. and recharge of costs incurred by Pininfarina S.p.A. on the company's behalf;
- Tech Mahindra GmbH: lease agreement for equipped office premises with Pininfarina Deutschland GmbH;
- Mahindra & Mahindra Ltd: brand licence agreement and engineering services agreements with Pininfarina S.p.A. and Pininfarina Engineering S.r.l. and sales of goods and services by Pininfarina Extra S.r.l.;
- Mahindra Graphic Research Design S.r.l.: engineering services agreements with Pininfarina S.p.A. and Pininfarina Engineering S.r.l.;
- Ssangyong Motor Company: design services agreement with Pininfarina S.p.A.;
- Automobili Pininfarina GmbH: lease for equipped office premises with Pininfarina Deutschland GmbH and design and engineering agreement with Pininfarina S.p.A. and sales of goods with Pininfarina Extra S.r.l.

In addition to the above figures, Studio Starcllex - Studio Legale Associato Guglielmetti, related to Romina Guglielmetti (director of Pininfarina S.p.A.), provided legal assistance to the company for €36.000, while Greta Pininfarina provided employee services to Pininfarina Extra S.r.l. for a cost of approximately €14,000.

On 26 September 2018, Pininfarina Engineering S.r.l. signed an engineering services agreement with Mahindra & Mahindra Ltd ("M&M") for the development of a project to design the upper body systems of the body shell, integration of the body shell with the main operating systems and implementation of the performance requested of a new Mahindra vehicle based on its new platform.

Pininfarina Engineering S.r.l. will receive a fee of €10,375,000.00 for its services to be provided over roughly 16 months. This fee qualifies the transaction as a "major transaction" pursuant to the relevant legislation. The services provided are part of the "company's normal business activities" and are rendered "on an arm's length basis". At December 31, 2018 the value of the services provided to the customer was € 5.313.868.

**Directors' and statutory auditors' fees**

(€'000)	2018	2017
Directors	812	625
Statutory auditors	112	111
Total	924	736

Related party transactions - Pininfarina S.p.A.

	Commercial		Financial		Operating		Financial	
	Assets	Liabilities	Assets	Liabilities	Revenue	Expense	Income	Expense
Goodmind S.r.l.	-	-	-	-	5.333	-	-	-
Signature S.r.l.	-	-	550.000	-	-	1.240	-	-
Pininfarina Extra S.r.l.	65.669	78.502	120.153	397.691	374.428	231.622	776.000	-
Pininfarina Engineering S.r.l.	4.154.437	3.126.893	155.814	339.885	3.421.880	2.564.035	-	-
Pininfarina Deutschland GmbH	-	-	1.500.000	-	1.886	-	10.475	-
Pininfarina Shanghai Co. Ltd	43.333	-	-	-	149.603	23.000	-	-
Pininfarina of America Ltd	-	-	-	-	943	-	-	-
Tech Mahindra Ltd	-	8.784	-	-	37.360	846.969	-	-
Mahindra&Mahindra Limited	183.614	-	-	-	6.884.762	-	-	-
Mahindra Europe S.r.l.	-	-	-	-	1.364	-	-	-
Mahindra Graphic Research Design S.r.l.	-	-	-	-	-	362.685	-	-
Automobili Pininfarina GmbH	332.156	-	-	-	4.806.910	-	-	-
Ssangyong Motor Company	-	-	-	-	415.794	-	-	-
Total	4.779.209	3.214.179	2.325.967	737.576	16.100.263	4.029.551	786.475	-

Intragroup transactions include:

- Goodmind S.r.l.: lease for equipped office premises terminated in February 2018;
- Signature S.r.l.: loan agreement and purchases of goods;
- Pininfarina Extra S.r.l.: lease for equipped office premises and services agreements. The financial liability with Pininfarina Extra S.r.l. relates to the national tax consolidation agreement;
- Pininfarina Engineering S.r.l.: sale of goods to furnish its offices during the construction phase, lease for the equipped premises and services agreements;
- Pininfarina Deutschland GmbH: loan agreement;
- Pininfarina Shanghai Co Ltd: services agreement;
- Tech Mahindra Ltd: services agreement e and recharge of costs incurred by Pininfarina S.p.A. on the company's behalf;
- Mahindra & Mahindra Ltd: brand licence agreement and engineering services agreements;
- Mahindra Europe S.r.l.: recharge of costs incurred by Pininfarina S.p.A. on the company's behalf
- Mahindra Graphic Research Design S.r.l.: engineering services agreements;
- Automobili Pininfarina GmbH: design and engineering agreement;
- Ssangyong Motor Company: design services agreement.

In addition to the above figures, Studio Starclax - Studio Legale Associato Guglielmetti, related to Romina Guglielmetti (director of Pininfarina S.p.A.), provided legal assistance to the company for €36,000.

Fees to directors, statutory auditors and key management personnel:

Fees to the company's directors and statutory auditors for their respective duties are as follows:

(€'000)	2018	2017
Directors	552	365
Statutory auditors	102	102
Total	654	467

The total fees to Pininfarina S.p.A.'s key management personnel approximate €1.4 million for 2018.