



PERIODIC
FINANCIAL
INFORMATION

at March 31, 2023

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COMPANY INFORMATION OF THE PARENT COMPANY PIOVAN S.P.A.

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Share capital: Euro 6,000,000 fully paid-in

Tax No.: 02307730289 VAT No.: 02700490275

Venice Economic & Administrative Registration No. 235320

GOVERNANCE OF PIOVAN S.P.A.

Piovan S.p.a. ("the Company" or "the Parent Company") is the parent company of the group of the same name and headquartered in Via delle Industrie 16, Santa Maria di Sala (Venice), Italy. The Company's Board of Directors and Board of Statutory Auditors are as follows.

Board of Directors

In office since April 29, 2021 until the Shareholders' AGM for the approval of the 2023 Annual Financial Statements, with the exception of the Director Maurizio Bazzo, who, as appointed on March 21, 2023 by the Board of Directors by means of co-option to replace the Director Marco Stevanato, was confirmed by the Shareholders' AGM of April 27, 2023 and will remain in office until the Shareholders' Meeting for the approval of the 2023 Annual Financial Statements.

Name	In charge
Nicola Piovan	Executive Chairman
Filippo Zuppichin	Chief Executive Officer
Marco Maria Fumagalli (*) (**)	Independent Director
Manuela Grattoni (*)	Independent Director
Mario Cesari (*)	Independent Director
Antonella Lillo (*)	Independent Director
Maurizio Bazzo (*)	Independent Director

(*) Independent Director pursuant to Article 147-ter of the CFA and recommendation No. 7 of the Corporate Governance Code.

(**) Director appointed Lead Independent Director as per recommendation No. 13 of the Corporate Governance Code.

Board of Statutory Auditors

In office since April 29, 2021 until the Shareholders' AGM for the approval of the 2023 Annual Financial Statements.

Name	In charge
Carmen Pezzuto	Chairman
Luca Bassan	Statutory Auditor
Patrizia Santonocito	Statutory Auditor
Kristian Sartor	Substitute Auditor
Stefania Targa	Substitute Auditor

Control, Risks and Sustainability Committee

In office from April 29, 2021, until the Shareholders' AGM called to approve the 2023 Annual Financial Statements.

Name	In charge
Antonella Lillo	Chairman
Marco Maria Fumagalli	
Mario Cesari	

Nomination and Remuneration Committee

In office from April 29, 2021, until the Shareholders' AGM called to approve the 2023 Annual Financial Statements.

Name	In charge
Manuela Grattoni	Chairman
Marco Maria Fumagalli	
Antonella Lillo	

Related Parties Committee

In office from April 29, 2021, until the Shareholders' AGM called to approve the 2023 Annual Financial Statements.

Name	In charge
Marco Maria Fumagalli	Chairman
Manuela Grattoni	
Mario Cesari	

Supervisory Board (Organismo di Vigilanza)

In office from August 2, 2021, to August 1, 2024

Name	In charge
Patrizia Santonocito	Chairman
Giovanni Boldrin	
Chiara Zilio	

Corporate Financial Reporting Officer

Giovanni Rigodanza, in office until the Shareholders' AGM for the approval of the 2023 Annual Financial Statements.

Independent Audit Firm

Deloitte & Touche S.p.A., in office until the Shareholders' AGM for the approval of the 2026 Annual Accounts.

Significant shareholders

Based on the shareholders' register, through communications received in accordance with Article 120 of Legislative Decree No. 58/98 and other information available to the company, the shareholders of Piovan S.p.A. with holdings of greater than 5% at the approval date of the Periodic Financial Information at March 31, 2023 were:

Declarant	Direct shareholder	% of ordinary share capital (*)	% of voting share capital (**)	% of ordinary share capital (***)	% of voting share capital (****)
Nicola Piovan	Pentaфин S.p.A	58.350	62.671	61.286	64.954
7INDUSTRIES HOLDING BV	7INDUSTRIES HOLDING BV	9.205	13.513	9.668	14.006

(*) Total No. ordinary shares: 53,600,000, including Piovan S.p.A. treasury shares equal to 2,567,539.

(**) Share capital expressed as number of votes as per Article 120, paragraph 1 of Legislative Decree No. 58 of February 24, 1998 ("CFA") including Piovan S.p.A. treasury shares.

(***) Total No. ordinary shares: 51,032,461, excluding the Piovan S.p.A. treasury shares.

(****) Share capital expressed as number of votes as per Article 120, paragraph 1 of Legislative Decree No. 58 of February 24, 1998 ("CFA") excluding Piovan S.p.A. treasury shares.

PIOVAN GROUP

Piovan Group operates in Italy and internationally in the production of automation systems for the storage, transport and processing of plastics ("Plastic Systems"), automation systems for the storage and transport of food powders and non plastics ("Food Systems & non plastic") and technical assistance and marketing of spare parts and services ("Services"). The Group is among the world leaders in the Plastic Systems market in the design and production of plants and control systems for the automation of all phases of the plastics production cycle.

History

The Group began operating in the early 1930's, when Costante Piovan founded a small workshop in Padua specializing in precision mechanics and molds for the manufacture of metal sheets.

In 1964, Luigi Piovan began a process of market diversification, and the Group moved into auxiliary machinery for the plastics industry. It introduced the first granulator to the Italian market, and this was followed by the Convair dryer and the Convector feeder for injection molding machines. The Group increasingly specialized in the design and production of automation systems for the storage, transport and treatment of plastics, and in 1969 moved its main production plant to Santa Maria di Sala (Venice).

Between 1970 and 1980, the Group expanded gradually in both geographical distribution - establishing its first foreign subsidiary Piovan Germania in 1974 - and its range of products and technologies. This came to include a complete range of machines used in the automation process for the storage, transport and processing of plastics, laying the foundations for future worldwide leadership. During the same period, the Company also launched its first line of refrigerators, and introduced the market's first centralized system for granule feeding, dosing and dehumidification.

This was also a time of significant production growth within the Group, which, from a generalist foundation, soon began to develop specific expertise in the application of plastics to the packaging, automotive, consumer and construction markets. This laid the groundwork for future specializations in customer industrial processes, and the consequent ability to offer innovative solutions. Anticipating future market trends, the Company also developed its first plant supervision and control software, which guarantees constant monitoring of machine operativity.

During the 1990's, the Group continued to grow globally and to improve its technological and qualitative expertise, gaining ISO 9001 certification and expanding its commercial and production capacities in overseas markets by opening new subsidiaries.

In the early 90s Nicola Piovan, Luigi Piovan's son, joined the company. He has been Chief Executive Officer since 2002 and Sole Director from 2011 to 2018. The Group continued its international expansion and established production plants outside Italy, specifically in Brazil and China. Additional foreign subsidiaries were soon opened in Mexico, Great Britain, Austria, Hungary, the Czech Republic, India, Turkey, Thailand, and Vietnam.

This expansion aimed to guarantee customers a global presence, providing constant, high-quality service “close to the customer”, to ensure that the complex machinery being sold worked flawlessly. It also ensured commercial presence in every relevant geographical area, allowing the Group to anticipate new market trends. As a result, continuous technological evolution, proximity to customers, high-quality service and sales, along with a focus on employees and their professional and personal growth, now form part of the Group’s DNA.

In recent years the Group has developed the first solutions for the processing of recycled plastics, enabling the construction of hundreds of plants in the coming years and the development of the Group’s technological leadership.

2007 saw the launch of the first version of the Group’s proprietary software “Winfactory”. Since then a new version has been released annually, leading to the current version “Winfactory 4.0”, which still represents one of the Group’s advantages over its main competitors.

Continuous investment in hi-tech solutions and energy saving processes have also contributed to attracting worldwide leaders in packaging, construction, basic commodities, and the food and automotive industries.

Piovan S.p.A. became publicly listed on the Milan stock exchange, within the Star segment, on October 19, 2018.

In October 2020, Dotecco S.p.A., an Italian leader globally in technology for the dosing of plastic film and synthetic fibers, along with its U.S. subsidiary Dotecco, Inc., joined the Piovan Group.

Finally, in January 2022, Piovan S.p.A. completed the acquisition of the entirety of the share capital in Sewickley Capital Inc., owner of 100% of IPEG Inc. – an industry leader in North America – thereby further strengthening our global leadership in this industry.

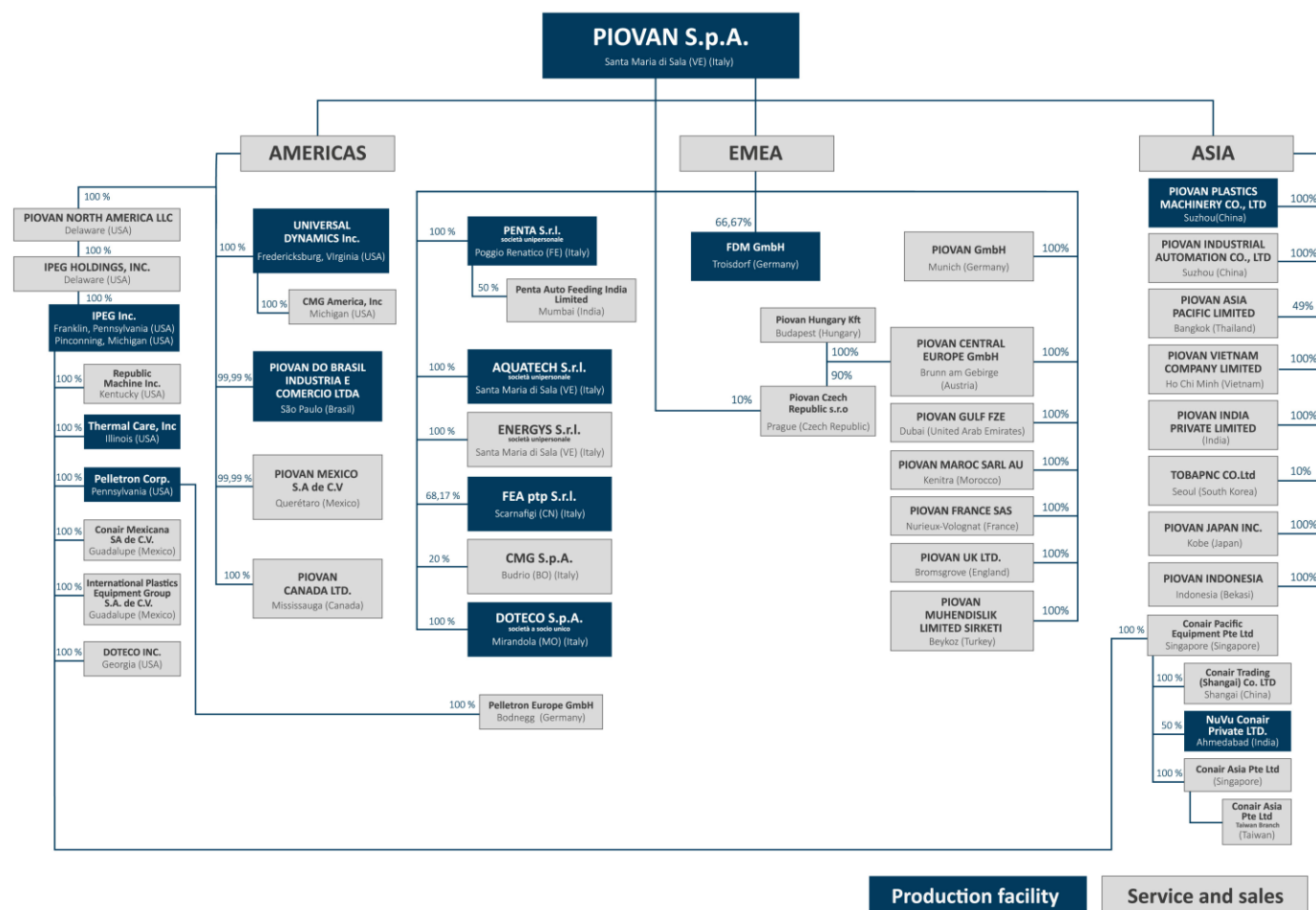
Today the Group comprises a network of direct or indirect subsidiaries of Piovan S.p.A., with sites in Europe, the United States and Asia, both thanks to organic growth dynamics and to acquisitions. The strategic, managerial and operational direction of the Group, which as of December 31, 2022, comprises 42 companies in 4 continents, including 13 production companies with 14 plants and 29 commercial companies, is entrusted directly to Piovan S.p.A.

The global spread of Piovan Group companies creates a major competitive advantage, providing customers across its various markets with a uniform level of service quality, in addition to an extremely broad and constantly developing range of products. This range is a core feature of the Group’s commercial offering, both for the processes of automated storage, transport and processing of plastics to every final sector, and for the transport and processing of food powders

and creams, which has recently become an area of development within the Group's range, thanks to the subsidiaries Penta S.r.l. and FEA Process & Technology Plants S.r.l.

On October 22, 2019, Italy's President, Sergio Mattarella, honored Nicola Piovan with the title of *Cavaliere del Lavoro* (Italian knighthood for accomplishments in industry). This important recognition testifies to the commitment the Piovan family has dedicated to growing the business for more than 50 years.

Piovan Group structure at March 31, 2023



GROUP PERFORMANCE

General economic overview

The start of 2023 continues to be impacted by the ongoing war between Russia and Ukraine, which, in addition to the clear and worrying humanitarian risks, has had a significant impact on the global economy.

According to the International Monetary Fund (IMF), the weak signals observed in early 2023 that the global economy may have been able to make a soft landing, with falling inflation and stable growth, became even weaker due to an inflation which has remained high and as a result of the turbulences arisen in the financial sector.

Although inflation has decreased in response to the rise of interest rates carried out by the central banks and thanks to declining prices for food and energy, the underlying pressures on inflation have proven to be problematic, and the labor markets are under strain in various countries. The collateral effects of the rapid increases in official rates are becoming evident, in that the vulnerabilities of the banking sector are being teased out and fears of cross-contamination have increased throughout the financial sector, including among non-bank financial institutions. Political operatives are working hard to stabilize the banking system. Financial conditions are fluctuating in lockstep with the changing sentiment.

At the same time, the other primary forces that characterized the global economy in 2022 appear destined to continue into this year, although with a different intensity. Debt levels remain high, and this is restricting the ability of fiscal policy to respond to the new challenges. After rising sharply in response to Russia's invasion of Ukraine, increases in raw materials prices have moderated, but geopolitical tensions are high as the war continues.

The variants of COVID-19 continued to spread in 2022, but the hardest-hit economies – China in particular – appear to have a moderate recover, thereby mitigating the supply-chain bottlenecks. Despite the falling food and energy prices and the improved functioning of the supply chain, risks are decidedly increasing in response to the rising uncertainty brought about by the recent turbulence in the financial sector.

Taking this climate into account, the IMF expects global growth to slow down in 2023, going from 3.4% in 2022 to 2.8% in 2023 before returning to 3.0% in 2024. Advanced economies should see a particularly pronounced slowdown in growth, from the 2.7% of 2022 to 1.3% in 2023.

Under a plausible alternative scenario of further tensions in the financial sector, global growth could fall to around 2.5% in 2023 and to below 1% for the advanced economies. Under the base scenario, nominal global inflation is expected to fall from the 8.7% of 2022 to 7.0% in 2023 in response to declining raw materials prices, but core inflation is likely to decrease more slowly. In most cases, it is unlikely that inflation will return to target values prior to 2025.

Public debt as a ratio to GDP increased worldwide during COVID-19 and is expected to remain high. Interruptions in the supply chain and the growing geopolitical tensions have brought the

risks and the potential costs and benefits of global economic fragmentation to the forefront of political debate.

In this environment, the Piovan Group continues to operate through an organizational structure based on subsidiaries with production sites on different continents and a global network providing technical and commercial assistance across all the areas in which the Group operates. This structure - further strengthened by the acquisition of the IPEG Group - has both limited the effects of the restrictions on mobility and enabled us to find alternatives within the supply chain where possible.

In addition, its presence in highly diversified geographical areas and sectors allowed the Group to mitigate the overall risk and benefit from possible improvements in certain areas/sectors.

Significant events in the period

Doteco Inc.

On January 1, 2023, Doteco S.p.A. sold its equity interest in Doteco Inc. to Piovan North America Inc. This transaction, which will have no impact on the consolidated financial statements, falls within the scope of a broader process of reorganization and streamlining that the Piovan Group initiated following the acquisition of the American group IPEG.

Sale of Toba Pnc

On January 31, 2023, the sale was completed to minority interests of a 41% stake held by Piovan S.p.A. in Toba Pnc. As a result, Piovan S.p.A. now holds a 10% interest in Toba Pnc. The Group will be continuing to operate in Korea by way of both the minority interest in Toba Pnc and our direct presence in the country, development of which is ongoing.

Incorporation of Piovan Indonesia

On January 6, 2023, the Group established a new commercial branch in Indonesia – Piovan Technology (PT) Indonesia – to be able to serve local clients in that country more directly.

Resignation of a director

On January 26, 2023, the director Marco Stevanato resigned for personal reasons. Mr. Stevanato was a non-independent, non-executive director and held no additional positions on the Company's committees. There are no indemnities or other benefits payable as a result of his conclusion of office. On March 21, 2023, Maurizio Bazzo was co-opted to the board and was confirmed by the shareholders' meeting held on April 27, 2023.

Purchase of ProTec Polymer Processing GmbH assets

On March 14, 2023, the Piovan Group, by way of the subsidiary FDM GmbH, purchased from ProTec Polymer Processing GmbH a number of assets attributable to the Materials Handling, Dosing and Recycling markets with the goal of developing the after-sale services market and increase the market share with OEMs, leaders in the German market.

Performance of the Group

Provided below are Alternative performance measures used in order to assess the Group's financial performance and standing. These indicators have been calculated as described in the 2022 Annual Report in the section "Alternative performance indicators".

It should be noted that the income statement for the first quarter of 2022 includes the results of the IPEG group starting from January 31, 2022, the date on which the acquisition was completed.

It should also be noted that, for comparative purposes, the income statement figures for Q1 2022 have been restated compared to the ones included in the Periodic Financial Information at March 31, 2022, following the definitive purchase price allocation for the IPEG group. The caption restated is the amortization of intangible assets and consequently, EBIT, profit before taxes and net profit for the period.

Economic performance of the Group

(amounts in €'000)	Economic performance indicators				Changes	
	First quarter 2023	% on total revenues and other income	First quarter 2022 (1)	% on total revenues and other income	2023 vs 2022	%
Revenue	138,932	98.5%	105,294	97.5%	33,638	31.9%
Other revenue and income	2,167	1.5%	2,692	2.5%	(525)	(19.5%)
TOTAL REVENUE AND OTHER INCOME	141,099	100.0%	107,986	100.0%	33,113	30.7%
Adjusted EBITDA	15,777	11.2%	13,383	12.4%	2,394	17.9%
EBITDA	15,647	11.1%	12,928	12.0%	2,719	21.0%
OPERATING PROFIT	12,307	8.7%	9,560	8.9%	2,747	28.7%
PROFIT BEFORE TAXES	13,942	9.9%	10,375	9.6%	3,567	34.4%
Income taxes	4,409	3.1%	3,365	3.1%	1,044	31.0%
NET PROFIT	9,533	6.8%	7,009	6.5%	2,524	36.0%
Attributable to:						
Owners of the parent	10,512	7.5%	6,884	6.4%		
Non-controlling interests	(979)	(0.7%)	125	0.1%		
Basic earnings per share	0.21		0.14			
Diluted earnings per share	0.21		0.13			

⁽¹⁾ For comparative purposes, the income statement figures for Q1 2022 have been restated compared to the interim report at March 31, 2022, following the definitive purchase price allocation for the IPEG group. The restated figures include amortisation and, consequently, EBIT, pre-tax profit and net profit.

Revenue

Piovan Group revenue in Q1 2023 totaled Euro 138,932 thousand, strong growth on Euro 105,294 thousand in the first quarter of 2022 (+31.9%). Recognizing the effect of the acquisition of the IPEG Group retroactively to January 1, 2022, revenue in Q1 2022 would have been Euro 118,857 thousand (+16.9% in 2023).

Revenue calculated on a like-for-like basis (i.e. average exchange rate in Q1 2022) would have decreased by Euro 3,014 thousand at Euro 135,918 thousand and risen 29.1% compared to the first quarter of 2022.

The exchange effect on revenue was mainly due to the US dollar against the Euro and, to a lesser extent, to the Renminbi.

Revenue by market and region

The breakdown of revenue by market is as follows:

€/000	First quarter 2023	%	First quarter 2022	%	Change	Change %
Plastic	109,079	78.5%	78,076	74.2%	31,003	39.7%
Food & non plastic	8,433	6.1%	11,532	11.0%	(3,099)	(26.9%)
Services	21,420	15.4%	15,686	14.9%	5,734	36.6%
Revenue	138,932	100.0%	105,294	100.0%	33,638	31.9%

(*) Q1 2022 includes the IPEG group for just 2 months.

Revenue by market in Q1 2023 indicates:

- Plastic Systems revenues increased by 39.7%, driven by strong performance in North America and Asia. More specifically, the increase is attributable to: (i) the circular economy segment, and particularly both directly the Recycling segment and the Packaging segment – which uses recycled materials, a sector in which the Group is a world leader; and (ii) the Automotive segment, which is gradually recovering thanks to increased investment in new electric models.
- Food & Non-plastic Systems decreased compared to the same quarter of the previous year due to the timing of development of a number of projects in the segment that are to be completed in coming months of 2023, particularly in North America.
- the Services market reported revenue growth of 36.6% on the same period of the previous year, confirming the development expectations of the Group, which is also focusing on the growth in this segment.

The breakdown of revenue by region is as follows:

€/000	First quarter 2023	%	First quarter 2022	%	Change	Change %
EMEA	46,102	33.2%	46,286	44.0%	(184)	(0.4%)
ASIA	15,771	11.4%	8,941	8.5%	6,830	76.4%
NORTH AMERICA	72,374	52.1%	46,591	44.2%	25,783	55.3%
SOUTH AMERICA	4,685	3.4%	3,476	3.3%	1,209	34.8%
Revenue	138,932	100.0%	105,294	100.0%	33,638	31.9%

(*) Q1 2022 includes the IPEG group for just 2 months.

Revenue in North America increased mainly due to the increase of the market shares, to the good performance of Pelletron US and of the Food area, and in part also driven by the positive impact of the EUR/USD exchange rate.

Growth in Asia, up by 76.4%, shows signs of recovery in the Asian market, also thanks to the collection of some major orders in late 2022 and early 2023, which had seen a slowdown in the first part of 2022 following the lockdowns in the first part of the year related to the re-emergence of COVID outbreaks.

Performance in Europe market, even if positive, reflects the fact that major projects underway in the Food area had a final destination of North America and are developed in Europe. Finally, South America continued to perform well, with growth of 34.8%.

Other revenues and income

Other revenues and income decreased 19.5% on Q1 2022. This aggregate included a few operating grants in 2022. Recognizing the effect of the acquisition of the IPEG group starting from January 1, 2022, Other revenue and income for the Piovan Group would have been Euro 3,397 thousand (-36.2%).

Total revenues and other income

Piovan Group Total revenue and other income in Q1 2023 totaled Euro 141,099 thousand, strong growth on Euro 107,986 thousand in the first quarter of 2022 (+30.7%). Recognizing the effect of the acquisition of the IPEG group starting from January 1, 2022, revenue in Q1 2022 would have been Euro 122,254 thousand (+15.4% in 2023).

Contribution margin

The contribution margin is calculated as the sum of: total revenues and income less raw material purchases, components, goods and inventory changes and less variable production costs (external processing, transport costs, intermediation and commissions, as illustrated in Note [30] Service Expenses).

€/000	First quarter 2023	First quarter 2022
Total revenues and other income	141,099	107,986
Costs of raw materials, components and goods and changes in inventories	63,771	46,812
Variable services expenses	18,500	13,787
Contribution margin	58,828	47,387
% on total revenues and other income	41.7%	43.9%

(*)Q1 2022 includes the IPEG group for just 2 months.

The contribution margin in the first quarter of 2023 was Euro 58,828 thousand compared to Euro 47,387 thousand in 2022. The margin on total revenue and other income was 41.7% (43.9% in Q1 2022 and 41.8% for the full year 2022).

The comparison with the same quarter of the previous year particularly reflects the change in the consolidation perimeter, given that, in 2022, the IPEG group – which operates at a lower contribution margin than the rest of the Group – was only included for 2 months. In 2023, the figure also reflected the prudent recognition of certain additional costs related to a contract in the food market for one of the subsidiaries. The Group is currently in negotiations to obtain change orders which, if obtained, would generate revenues in future months, thereby offsetting the costs incurred in the quarter.

EBITDA

EBITDA in Q1 2023 totaled Euro 15,647 thousand, an increase of 21.0% compared to Euro 12,928 thousand in Q1 2022 (11.1% margin vs. 12.0% in 2022 on Total revenue and other income).

Recognizing the effect of the acquisition of the IPEG Group starting from January 1, 2022, EBITDA in Q1 2022 would have been Euro 14,027 thousand (+11.6% in 2023).

The growth in EBITDA, which is lower than the growth in revenues, reflects certain non-recurring costs incurred for activities related to the integration of IPEG group and certain additional costs related to a contract in the food market for a subsidiary, as described above.

Adjusted EBITDA

This figure is calculated by excluding certain non-recurring items or noncore activities.

Adjusted EBITDA in Q1 2023 totaled Euro 15,777 thousand, for a margin on total revenues and other income of 11.2% (+17.9% on Adj. EBITDA in 2022).

Recognizing the effect of the acquisition of the IPEG Group starting from January 1, 2022, Adjusted EBITDA in Q1 2022 would have been Euro 14,482 thousand (+8.9% in 2023).

A reconciliation of EBITDA and adjusted EBITDA is shown in the table below:

€/000	First quarter 2023	First quarter 2022
EBITDA	15,647	12,928
Non recurring expenses related to IPEG group acquisition	108	455
Non recurring expenses related to Chinese plant	23	
Adj. EBITDA	15,777	13,383

EBIT

EBIT in Q1 2023 totaled Euro 12,307 thousand, up from Euro 9,560 thousand in Q1 2022. It should be noted that this figure has been restated to reflect the amortization recognised in relation to the purchase price allocation (PPA), in the amount of Euro 1,224 thousand.

EBIT, therefore, reflects the effects of the purchase price allocation (PPA) of IPEG, which alone included the recognition of amortization of intangible assets of Euro 984 thousand in Q1 2023 (Euro 1,224 thousand in Q1 2022). The EBIT margin on total revenues and other income came to 8.7%, in line with the previous year. Excluding the effects of the PPA as described above, EBIT would have been Euro 13,291 thousand, for a margin on total revenues and other income of 9.4% (Euro 10,784 thousand in Q1 2022 for a margin of 10.0% on total revenues and other income).

As described above, the growth in EBIT reflects certain non-recurring costs incurred in the quarter for activities related to the integration of IPEG group and certain additional costs related to a project order of a subsidiary.

Profit for the period

The net profit in Q1 2023 amounted to Euro 9,533 thousand, increased on Euro 7,009 thousand in Q1 2022. The margin on total revenue and other income was 6.8% (6.5% in Q1 2022).

Net profit in Q1 2023 benefited from the gain on the sale of Toba PNC. As of the date on which the sale was finalized, the company had negative equity of Euro 2,621 thousand (of which Euro 1,284 thousand related to minority interests).

Excluding amortization of the PPA, in the amount of Euro 984 thousand (Euro 1,224 thousand in Q1 2022), the related tax effect of Euro 220 thousand (Euro 250 thousand in Q1 2022), and the gain on the sale of Toba PNC, net profit for the period would be Euro 8,960 thousand (Euro 7,984 thousand in Q1 2022), for a margin on total revenues and other income of 6.4% (7.4% in Q1 2022).

Basic and diluted earnings per share

Basic and diluted earnings per share came to Euro 0.21 and Euro 0.21 respectively in Q1 2023 (Euro 0.14 and Euro 0.13 respectively in Q1 2022)

Financial performance of the Group

The financial structure of the Piovan Group as at March 31, 2023, is summarized below, compared with December 31, 2022, and if considered significant with March 31, 2022. As described in the Annual Financial Report at December 31, 2022, following the signing of the preliminary agreement for the sale of the equity investment in Toba PNC, this investment was considered a asset held for sale. As a result, the assets and liabilities of Toba Pnc. were reclassified among “Assets held for sale and discontinued operations” and “Liabilities directly associated with assets held for sale and discontinued operations”. The sale was finalized in January 2023, resulting in the deconsolidation of Toba PNC. The figures shown below take account of this classification for 2022.

Group Net financial position

We present below the Net Financial Position (NFP) as required by the Consob Warning Notice No. 5/21 of April 29, 2021, which implements the EMSA Guidelines 32-382-1138 of March 4, 2021.

€/000	31.03.2023	31.12.2022	31.03.2022
A. Cash	55,055	74,365	108,414
B. Cash equivalents	20,000	20,000	-
C. Other current financial assets	6,851	6,815	1,550
D. Liquidity (A+B+C)	81,906	101,180	109,964
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	(3,803)	(10,504)	(30,981)
F. Current portion of non-current financial debt	(37,556)	(32,692)	(20,411)
G. Current financial indebtedness (E+F)	(41,359)	(43,196)	(51,392)
H. Net current financial indebtedness (G-D)	40,547	57,984	58,573
I. Non-current financial debt (excluding current portion and debt instruments)	(135,773)	(142,770)	(145,915)
J. Debt instruments	-	-	-
K. Non-current trade and other payables	(3,257)	(3,295)	(20,862)
L. Non-current financial indebtedness (I+J+K)	(139,030)	(146,065)	(166,777)
M. Total net financial position (H+L)	(98,483)	(88,081)	(108,204)

The following is information related to indirect debt and/or debt subject to conditions that are not reflected above but which is required by the ESMA document:

- regarding provisions, see Note [19] – Employee benefit plans and Note [20] – Provisions for risks and charges, which include sums of this type;
- regarding bank guarantees, see the section “Commitments and Risks” in the Notes of the Annual Financial Report at December 31, 2022;
- the Company has also recognized liabilities for options granted to minority shareholders in the amount of Euro 481 thousand (see Note [21]).
- commitments related to lease agreements that are not recognized as liabilities in accordance with IFRS 16 total approximately Euro 3,384 thousand;

- the item, at December 31, 2022, did not include the net financial position of Toba PNC, i.e. net debt of Euro 1,737 thousand, as this had been reclassified among “Assets held for sale and discontinued operations” and “liabilities directly associated with non-current assets held for sale and discontinued operations”. The sale of the subsidiary was finalized on January 31, 2023.

The Group’s net financial position at March 31, 2023, was a debt position of Euro 98,483 thousand (improving over the net debt position of Euro 108,204 thousand at March 31, 2022), and increasing compared to net debt of Euro 88,081 thousand at December 31, 2022, absorbing net cash in the amount of Euro 10,402 thousand which was substantially attributable to ordinary activities and reflects the normal course of business.

Excluding the effects of IFRS 16, the Group’s net financial position at March 31, 2023 was Euro 79,272 thousand, compared to Euro 70,193 thousand at December 31, 2022, with cash absorbed in the amount of Euro 9,079 thousand.

“Non-current financial debt (excluding the current portion and the debt instruments)” includes the fair value measurement of the earn-out in the amount of USD 21,802 thousand (Euro 20,047 thousand at March 31, 2023 and Euro 20,441 thousand at December 31, 2022), equal to its maximum contractual value which is expected to be paid in 2024 to the selling shareholders of IPEG Inc., in accordance with contractual obligations.

Investments for the quarter totaled Euro 2,219 thousand (Euro 633 thousand in Q1 2022).

Financial debt includes medium/long-term loans, mainly relating to the Parent Company and nearly entirely in euro, for Euro 137,274 thousand, of which Euro 37,556 thousand repayable within 12 months and the remaining Euro 99,718 thousand long-term.

As reported previously, in January 2022, in order to complete the IPEG acquisition, a 6-year Euro 100 million fixed-rate loan bearing annual interest of 1.335% was obtained.

As per the loan agreement, the Group has to comply with a series of financial and non-financial covenants in line with market practice, particularly in relation to the debt-to-EBITDA and equity to-EBITDA ratios (as defined in the related agreement). These should be tested every six months starting from December 31, 2022. At that date, Group performance was amply within the agreed covenants.

Non-current assets

Non-current assets represented by property, plant and equipment, right-of-use assets, intangible assets, equity investments, deferred tax assets and other non-current assets at March 31, 2023 amounted to Euro 214,768 thousand and was substantially in line with December 31, 2022 (Euro 215,602 thousand), as a combined effect of amortization and depreciation and investments in the quarter.

The figure at December 31, 2022, does not include the contribution of Toba Pnc of Euro 284 thousand, which has been reclassified among assets held for sale and discontinued operations.

Non-current assets (amounts in €'000)	At 31st March 2023	At 31st December 2022
Property, plant and equipment	43,174	43,047
Right of Use (IFRS 16 - Lease)	23,583	22,109
Intangible assets	125,597	128,297
Equity investments	11,255	10,832
Other non-current assets	585	574
Deferred tax assets	10,574	10,744
Non-current assets	214,768	215,602

Investments

Total investments for the period under review came to Euro 2,219 thousand (Euro 633 thousand in Q1 2022 and Euro 5,838 thousand in 2022). Non-recurring investments amounted to Euro 1,449 thousand (Euro 155 thousand in Q1 2022 and Euro 2,430 thousand in 2022), or 1% of Revenues. They concerned mainly work in progress related to the subsidiary FEA, related to the expansion project of the company's production facilities, the initial investments regarding the construction of the new factory in China, charges incurred for the two photovoltaic panel plants and intangible assets acquired within the purchase of ProTec Polymer Processing GmbH.

Net trade capital and net working capital

Net working capital for the period ended March 31, 2023, was as follows:

Net working capital (amounts in €'000)	At 31st March 2023	At 31st December 2022	At 31st March 2022
Trade receivables	90,298	89,771	80,906
Inventories	89,584	90,188	82,507
Contract assets for work in progress	10,637	6,374	4,496
Trade payables	(68,562)	(77,292)	(64,798)
Advance from customers	(51,112)	(50,248)	(54,739)
Contract liabilities for work in progress	(4,126)	(7,060)	(3,627)
Net trade capital	66,719	51,734	44,746
Tax receivables	5,814	5,469	5,167
Other current assets	15,691	13,156	13,208
Tax liabilities and social security contributions	(10,187)	(11,285)	(7,959)
Other current liabilities	(24,401)	(23,093)	(27,322)
Net working capital	53,636	35,980	27,840

Net working capital at March 31, 2023 increased on December 31, 2022, and on March 31, 2022. The change is mainly attributable to an increase in work in progress related to contract assets and contract liabilities and to the timing of the payment of trade payables.

The figure at December 31, 2022, does not include the contribution of Toba, negative Euro 651 thousand, which was reclassified among "Assets held for sale and discontinued operations" and "Liabilities directly associated with assets held for sale and discontinued operations".

Medium/long term liabilities

(amounts in €'000)	At 31st March 2023	At 31st December 2022
Employee benefits plans	5,294	5,445
Provision for risks and charges	5,361	4,956
Other non-current liabilities	3,257	3,295
Deferred tax liabilities	15,063	15,591
Medium/long term liabilities	28,975	29,286

At March 31, 2023, medium/long-term liabilities were substantially in line with December 31, 2022.

Cash conversion

The cash conversion index is calculated as Adj. EBITDA last twelve months less recurring investments in the last twelve months as a percentage of Adj. EBITDA last twelve months. In Q1 2023 this was approx. 94.3% (94.4% in Q1 2022).

Events after March 31, 2023

On April 27, 2023, the Shareholders' Meeting, besides approving the 2022 Financial Statements and the Report on the policy regarding remuneration and fees paid, also:

- approved the distribution of a dividend for Euro 10,206,492.20 (equal to Euro 0.20 for each share with profit rights, excluding the treasury shares held by the Company);
- conferred to the Board of Directors of the Company the authorization to purchase and dispose of treasury shares, subject to revocation of the previous authorization granted by the Shareholders' Meeting of April 28, 2022, as detailed in the Directors' report published on the Company's website at www.piovan.com, in the *Investors/Investor Relations/Shareholders' Meeting* section;
- approved the new plan for free allocation of ordinary shares of the Company named the "2023-2025 Long Term Incentive Plan" (the "**Plan**"). The Plan is organized into three cycles (the first for the 2023-2025 vesting period, the second for the 2024-2026 vesting period, and the third for the 2025-2027 vesting period) and, for each cycle, calls for the assignment of ordinary Piovan S.p.A. shares, under the terms and conditions specified in the disclosure published on the Company's website (www.piovan.com) to Executive Directors (excluding the Executive Chairperson) and Managers with Strategic Responsibilities, and additional individuals to be selected by the Chairperson of the Board of Directors from among the employees and/or collaborators of the Company or subsidiaries due to the strategic importance of the roles;
- acknowledged the end of term of the director Maurizio Bazzo, who was co-opted, in accordance with Article 2386 of the Italian civil code and Article 14.4 of the By-Laws, at the meeting of the Board of Directors held on March 21, 2023, to replace outgoing director Marco Stevanato, and approved the appointment, with the majorities required by Law, without application of the slate voting mechanism, of Maurizio Bazzo to the position of independent, non-executive director of the Company. Maurizio Bazzo shall remain in office until the expiration of the term of office of the other directors currently in office and, therefore, until the date of the Shareholders' Meeting called to approve the financial statements at December 31, 2023.

No additional significant events subsequent to March 31, 2023, are reported.

Outlook

The Group confirms its desire to continue along the strategic path undertaken, focusing on increasing its contribution to the circular economy by developing products and solutions for the recycling value chain, increasing acquisitions, and working to achieve greater market share in the Food & Non-Plastic segment.

With regard to future acquisitions, and given the completion of the IPEG, Inc. acquisition on January 31, 2022, it is reasonable to assume that 2023 will be dedicated to the strategic integration, defined in 2022, of this industrial group in order to take full advantage of the company's strategic potential, given also its importance within the Group.

In this sense, integration of the two organizations will enable:

- The strengthening of the global leadership of the Piovan Group in automation solutions for the handling of plastic polymers and food powders
- The consolidation of our competitive positioning in North America, where the Piovan Group will become the industry's largest player
- An expansion of our presence in Mexico and Asia
- Growth of the Indian market
- Development of the best talent and human capital by way of the sharing of best practices between the two organizations

Although the Group's focus is on reducing debt as a result of the above-mentioned operation, Piovan remains interested in companies with products/technologies that can expand the value chain served by the Group, and will continue to assess potential opportunities for acquisitions and external growth.

With regard to developments in European legislation concerning the production and use of plastic, there is a possibility of changes in the marketplace. In particular, legislation could promote the use of recycled plastic or biodegradable polymers at the expense of virgin, petroleum-based polymers.

For the Piovan Group, this European legislation represents an opportunity to sell technologies developed in recent years for the automation, processing and screening of recycled and biodegradable plastics, a sector in which the Group has a position of significant leadership and technological advantage on the strength of various recycling-related patents. The Company currently estimates that about 29.7% of the automations sold in the packaging, fiber and recycling segments are being used in order to make use of recycled material.

Since 2006, the Group has built more than 350 plastic recycling plant and thousands of systems that make it possible to create new products out of recycled plastic.

Piovan is already engaged at various levels in the process of change and is committed to providing solutions to the market for a circular economy, particularly in researching and developing advanced innovative technologies - allowing customers to use recycled polymers and

obtaining a quality product with low environmental impact, cutting CO2 emissions and the consumption of scarce resources.

Considering organic growth, on the strength of a record performance in 2022 and a first quarter 2023, which appears to confirm the performance in 2022, the Company looks to organic growth for the future with great optimism despite the uncertainties related to the geopolitical environment. The Piovan Group has a presence in many geographical areas and in a diverse range of industries, which will certainly mitigate the overall risk tied to the current crisis. The most resilient markets (e.g. medical, flexible packaging) remain encouraging, and it is reasonable to expect a recovery in the most cyclical industries (e.g. automotive, construction).

The order backlog at March 31, 2023, was in line with those in the previous year, against a good level of new orders received during the year and in the first few months of 2023.

In spite of these positive factors, risks remain with regard to the continuation of the Russia-Ukraine war, with consequent impact on the economy, and the supply chain issues that have caused slowdowns in procurement, fueling further inflation in many of these countries and which could remain high for longer than originally forecast.

CONSOLIDATED FINANCIAL STATEMENTS AND EXPLANATORY NOTES AT MARCH 31, 2023

Consolidated Financial Statements at March 31, 2023

Consolidated statement of financial position

(€/thousand)

ASSETS	Notes	31.03.2023	31.12.2022
NON-CURRENT ASSETS			
Property, plant and equipment	Note 1	43,174	43,047
Right of Use	Note 2	23,583	22,109
Intangible assets	Note 3	125,597	128,297
Equity investments	Note 4	11,255	10,832
Other non-current assets	Note 5	585	574
Deferred tax assets	Note 6	10,574	10,744
TOTAL NON-CURRENT ASSETS		214,768	215,603
CURRENT ASSETS			
Inventories	Note 7	89,584	90,188
Contract assets for work in progress	Note 8	10,637	6,374
Trade receivables	Note 9	90,298	89,771
Current financial assets	Note 10	6,851	6,815
Tax receivables	Note 11	5,814	5,469
Other current assets	Note 12	15,691	13,156
Cash and cash equivalents	Note 13	75,055	94,365
TOTAL CURRENT ASSETS		293,930	306,138
Assets held for sale and disposal groups	Note 14	-	1,269
TOTAL ASSETS		508,698	523,010

LIABILITIES AND EQUITY	Notes	31.03.2023	31.12.2022
EQUITY			
Share capital	Note 15	6,000	6,000
Legal reserve	Note 15	1,200	1,200
Reserve for own shares in portfolio	Note 15	(2,489)	(2,208)
Translation reserve	Note 15	2,176	3,952
Other Reserves and retained earnings	Note 15	124,201	89,579
Net profit (loss)	Note 15	10,512	34,588
Equity attributable to the owners of the parent		141,600	133,111
Equity attributable to non-controlling interests	Note 16	2,122	1,819
TOTAL EQUITY		143,722	134,930
NON-CURRENT LIABILITIES			
Long-term loans	Note 18	99,718	107,311
Non-current financial liabilities	Note 18	36,055	35,459
Employee benefits plans	Note 19	5,294	5,445
Provision for risks and charges	Note 20	5,361	4,956
Non-current liabilities for options granted to non-controlling interest	Note 21	-	-
Other non-current liabilities	Note 22	3,257	3,295
Deferred tax liabilities	Note 6	15,063	15,591
TOTAL NON-CURRENT LIABILITIES		164,748	172,057
CURRENT LIABILITIES			
Current portion of long-term loans	Note 18	37,556	32,692
Current bank loans and borrowings	Note 18	-	7,001
Current financial liabilities	Note 18	3,803	3,503
Trade payables	Note 23	68,562	77,292
Advances from customers	Note 24	51,112	50,248
Contract liabilities for work in progress	Note 8	4,126	7,060
Current liabilities for options granted to non-controlling interests	Note 21	481	481
Tax liabilities and social security contributions	Note 25	10,187	11,285
Other current liabilities	Note 26	24,401	23,092
TOTAL CURRENT LIABILITIES		200,228	212,654
Liabilities associated with assets held for sale	Note 14	-	3,369
TOTAL LIABILITIES		364,976	388,080
TOTAL LIABILITIES AND EQUITY		508,698	523,010

Consolidated statement of profit and loss

(€/thousand)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS	Notes	31.03.2023	31.03.2022 ⁽¹⁾
Revenues	Note 25	138,932	105,294
Other revenues and income	Note 26	2,167	2,692
TOTAL REVENUES AND OTHER INCOME		141,099	107,986
Costs of raw materials, components and goods and changes in inventories	Note 27	63,771	46,812
Services expenses	Note 28	28,206	21,489
Personnel expenses	Note 29	32,642	25,709
Other expenses	Note 30	833	1,048
Amortisation and depreciation	Note 31	3,340	3,368
TOTAL COSTS		128,792	98,426
OPERATING PROFIT		12,307	9,560
Financial income	Note 32	527	162
Financial Expenses	Note 32	(917)	(560)
Net exchange rate gain (losses)	Note 33	87	997
Gains (losses) on liabilities for option granted to non controlling interests	Note 34	-	-
Profit (losses) from equity investments carried at equity method	Note 35	601	216
Profit (losses) from disposals		1,337	-
PROFIT BEFORE TAXES		13,942	10,375
Income taxes	Note 36	4,409	3,365
NET PROFIT		9,533	7,009
ATTRIBUTABLE TO:			
Owners of the parent		10,512	6,884
Non-controlling interests		(979)	125
Earnings per share			
Basic earnings per share (in Euros)	Note 14	0.21	0.14
Diluted earnings per share (in Euros)	Note 14	0.21	0.13

(1) For comparative purposes, the income statement figures for Q1 2022 have been restated compared to the Periodic Financial information at March 31, 2022, following the definitive purchase price allocation for the IPEG group. The restated figures include amortization and, consequently, EBIT, pre-tax profit and net profit.

Consolidated statement of comprehensive income

(€/thousand)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31.03.2023	31.03.2022 ⁽¹⁾
Net profit	9,533	7,009
Items that may be subsequently reclassified to profit or loss:		
- Exchange rate differences	(1,776)	2,747
Other items valued using the equity method		
Items that may not be subsequently reclassified to profit or loss:		
- Actuarial gains (losses) on employee benefits net of the tax effect		
- Actuarial gains on agents' termination benefits net of the tax effect		
Total Comprehensive income	7,757	9,756
attributable to:		
- Owners of the parent	8,736	9,631
- Non-controlling interests	(979)	125

(1) For comparative purposes, the income statement figures for Q1 2022 have been restated compared to the Periodic Financial information at March 31, 2022, following the definitive purchase price allocation for the IPEG group. The restated figures include amortization and, consequently, EBIT, pre-tax profit and net profit.

Consolidated statement of cash flows

(€/thousand)

Consolidated Statement of Cash Flow	31.03.2023	31.03.2022 ⁽¹⁾
OPERATING ACTIVITIES		
Net profit	9,533	7,009
Adjustments for:	-	-
Amortisation and depreciation	3,340	3,368
Provision	405	1,383
Net non-monetary financial (income)	399	328
Change in employee benefits liabilities	(151)	105
(Plus) or minus from disposal of fixed assets and investments	-	(15)
Investment equity valuation	(601)	(218)
Other non-monetary variations	(1,329)	28
Taxes	4,409	3,364
Cash flows from operating activities before changes in net working capital	16,006	15,354
(Increase)/decrease in trade receivables	(1,112)	(4,706)
(Increase)/decrease in inventories	(13)	(7,818)
(Increase)/decrease in contract assets and liabilities for work in progress	(7,125)	(2,234)
(Increase)/decrease in other current assets	(3,185)	(3,532)
Increase/(decrease) in trade payables	(7,671)	(3,805)
Increase/(decrease) in advance from customers	1,216	7,802
Increase/(decrease) in other current liabilities	(1,073)	(584)
(Increase)/decrease in non-current assets	(11)	(284)
Increase/(decrease) in non-current liabilities	(374)	(666)
Income taxes paid	(2,565)	(1,982)
CASH FLOWS FROM OPERATING ACTIVITIES (A)	(5,906)	(2,456)
INVESTING ACTIVITIES		
Investments in property, plant and equipment	(1,585)	(591)
Disinvestments in property, plant and equipment	237	13
Investments in intangible assets	(633)	(97)
Disinvestments in intangible assets	-	42
Disinvestments/(investments) in financial assets	-	-
Disinvestments/(investments) in investments	-	-
Business combinations net of the acquired cash	-	(100,589)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	(1,981)	(101,222)
FINANCING ACTIVITIES		
Issuance of bank loans	-	99,585
Repayment of bank loans	(2,729)	(3,120)
Change in current bank loans and borrowings	(7,001)	(2,001)
Interests paid	(444)	(289)
Increase/(decrease) in other financial liabilities	(1,241)	(560)
Dividends paid	-	-
CASH FLOWS USED IN FINANCING ACTIVITIES (C)	(11,415)	93,615
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	(19,302)	(10,063)
EFFECT OF EXCHANGE RATE CHANGES ON BALANCE OF CASH HELD IN FOREIGN CURRENCY	(8)	(28)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (E)	94,365	118,505
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(19,310)	(10,063)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (G=D+E+F)	75,055	108,414

(1) For comparative purposes, the income statement figures for Q1 2022 have been restated compared to the Periodic Financial information at March 31, 2022, following the definitive purchase price allocation for the IPEG group. The restated figures include amortization and, consequently, EBIT, pre-tax profit and net profit.

Consolidated statement of changes in equity

(€/thousand)

	Share Capital	Legal reserve	Treasury shares	Translation reserve	Other reserves and retained earnings	Profit for the year attributable to the owner of the parent ⁽¹⁾	Equity attributable to the owners of the parent ⁽¹⁾	Equity attributable to non-controlling interests ⁽¹⁾	TOTAL EQUITY ⁽¹⁾
Balance at Jan, 1st, 2022	6,000	1,200	(2,250)	(1,104)	64,811	28,347	97,004	1,447	98,451
Allocation of prior year profit	-	-	-	-	28,347	(28,347)	-	-	-
Distribution of dividends	-	-	-	-	-	-	-	(100)	(100)
Incentive plans	-	-	-	-	111	-	111	-	111
Total comprehensive income ⁽¹⁾	-	-	-	2,747	-	6,884	9,631	125	9,756
Balance at March 31st, 2022 ⁽¹⁾	6,000	1,200	(2,250)	1,643	93,267	6,884	106,746	1,473	108,218

(1) For comparative purposes, the income statement figures for Q1 2022 have been restated compared to the Periodic Financial Information at March 31, 2022, following the definitive purchase price allocation for the IPEG group. The restated figures include amortization and, consequently, EBIT, pre-tax profit and net profit and equity.

	Share Capital	Legal reserve	Treasury shares	Translation reserve	Other reserves and retained earnings	Profit for the year attributable to the owner of the parent	Equity attributable to the owners of the parent	Equity attributable to non-controlling interests	TOTAL EQUITY
Balance at Jan, 1st, 2023	6,000	1,200	(2,208)	3,953	89,580	34,588	133,111	1,818	134,930
Allocation of prior year profit	-	-	-	-	34,588	(34,588)	-	-	-
Distribution of dividends	-	-	-	-	-	-	-	-	-
Incentive plans	-	-	-	-	32	-	32	-	32
Purchase of treasury shares	-	-	(281)	-	-	-	(281)	-	(281)
Change in consolidation perimeter	-	-	-	-	-	-	-	1,284	1,283
Total comprehensive income	-	-	-	(1,776)	-	10,512	8,736	(979)	7,757
Balance at March 31st, 2023	6,000	1,200	(2,489)	2,177	124,200	10,512	141,598	2,123	143,722

Explanatory notes to the consolidated financial information

Piovan S.p.A. ("the Company" or "the Parent Company"), the parent company of the group of the same name with registered office in Santa Maria di Sala (VE), via dell'Industria 16, is a joint-stock company enrolled in the Venice Companies' Registration Office.

The shares of Piovan S.p.A. have been listed on the STAR segment of the MTA organized and managed by Borsa Italiana since October 19, 2018.

At March 31, 2023, of the Company's total share capital, in the amount of Euro 6,000,000, 58.35% was held by Pentafin S.p.A., while the remainder was distributed among private shareholders and in treasury shares.

The Company is the holding company of a group of companies operating in Italy and internationally (the "Group" or "Piovan Group") in automation systems for the storage, transport and processing of plastics ("Plastic Systems"), automation systems for the storage and transport of food powders and non plastics ("Food Systems & non plastic") and technical assistance and marketing of spare parts and services ("Services"). The Group is among the world leaders in the Plastic Systems market in the design and production of plants and control systems for the automation of all phases of the plastics production cycle.

The plants and systems developed, produced and marketed by the Group automate and improve the performance of all the various phases of the production and transformation process of plastics, food powders and non plastic powder. The technical solutions proposed by the Group include, for both the Plastic Systems and Food and non plastic markets: (i) the design of machinery and engineering solutions; (ii) the production of plants and systems; and (iii) the installation at the customer's production facilities. In addition, the Group provides its customers with specific technical support from the preliminary design phase to the installation and start-up of the plant and machinery, ensuring ongoing support in order to guarantee optimal operation of the products installed.

The Group at March 31, 2023, comprised of 42 companies located on 4 continents, of which 13 production companies, with 14 production facilities and 29 commercial and service companies.

The Periodic Financial Information at March 31, 2023 were prepared as per Article 154-ter of Legislative Decree 58/98 and subsequent amendments, in addition to the Consob's Issuers' Regulation.

Content, form and basis of preparation of the Periodic Financial Information at March 31, 2023

These Periodic Financial Information at March 31, 2023 were drawn up according to the IAS/IFRS accounting standards endorsed by the European Union. For the preparation of the Periodic Financial Information at March 31, 2023, IAS 34 ("Interim Reporting") concerning interim financial reporting was not adopted, due to the fact that the Group applies this standard to the half-year financial report and not to the quarterly reporting.

The Periodic Financial Information at March 31, 2023 include the consolidated statement of financial position, the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the statement of changes in consolidated shareholders' equity, in addition to the consolidated statement of cash flow and these notes for the period between January 1, 2023 and March 31, 2023. For comparative purpose the consolidated statement of financial position include the financial position as of December 31, 2022 while regarding the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of cash flow and changes in consolidated equity, include the first quarter of 2022. It should be noted that, for the comparative purpose, the income statement figures for Q1 2022 have been restated compared to the ones indicated in the Periodic Financial Information at March 31, 2022, following the definitive purchase price allocation for the IPEG group. The restated figures are amortization and, consequently, EBIT, pre-tax profit, net profit and the equity at March 31, 2023.

The Periodic Financial Information at March 31, 2023 have been prepared on the basis of the historical cost, with the exception of derivative financial instruments which have been recognized at fair value as required by IFRS 9 - "Financial Instruments", and on a going-concern basis. The Group considers - also in view of its strong competitive positioning, its high profitability and the solidity of its financial position - that it operates as a going concern as per paragraphs 25 and 26 of IAS 1.

The Periodic Financial Information at March 31, 2023 have been drawn up in thousands of Euro, which is the "functional" and "presentation" currency of the Piovan Group in accordance with IAS 21 "Foreign currency transactions". There may be rounding differences when individual line items are added together as the individual line items are calculated in euro (rather than in thousands of euro).

The preparation of the Periodic Financial Information at March 31, 2023 in accordance with IAS/IFRS requires management to make estimates and assumptions which have an impact on the amounts reported in the financial statements and the relative notes; actual results may differ from the estimates made. Reference should be made to the Annual Consolidated Financial Report at December 31, 2022 with regards to the main areas requiring the use of estimates and assumptions.

Russia-Ukraine conflict

In early 2022, the outbreak of the war between Russia and Ukraine marked the start of a period of major global instability, both politically and economically. This climate, which continues to evolve, makes assessments of the impact of future scenarios on the Group's business and performance particularly complex.

The conflict is continuing to fuel major international humanitarian and social crises and is having major repercussions on the populations of these nations. Due to the international sanctions being used as a deterrent for some of the countries involved, we are also seeing a significant impact on trade and on their economies, which is exacerbating supply-chain issues.

The group has only limited exposure in the areas impacted by the war (i.e. Ukraine, Russia, Belarus) in either sales or purchases. Based on figures for Q1 2023, consolidated revenue generated by the Group in Russia, Belarus and Ukraine is 0.3% of the total.

The situation is constantly developing and the Company - also with the support of external consultants - is monitoring the situation and the international rules closely to assess any impact of the conflict on its operations.

The situation is constantly developing and the Company - also with the support of external consultants - is monitoring the situation and the international rules closely to assess any impact of the conflict on its operations.

Consolidation scope and basis

The Periodic Financial Information at March 31, 2023 include the financial statements at March 31, 2023 of the parent company and of the Italian and overseas subsidiaries.

Compared to December 31, 2022, the consolidation scope changed as follows:

- Completion of the sale of the 41% stake in Toba PNC on January 31, 2023, and consequent deconsolidation of the company.
- On January 6, 2023, the Group established a new commercial branch in Indonesia – Piovan Technology (PT) Indonesia – to be able to serve local clients in that country more directly. The company is currently inactive.
- Merger of Progema S.r.l. and Studio Ponte S.r.l. into Penta S.r.l. This operation did not have any effect on the consolidated financial statements.

No new company acquisitions were conducted during the quarter.

“Other information” in the Explanatory Notes outlines the companies included in the consolidation scope at March 31, 2023.

The consolidation criteria adopted to prepare the Periodic Financial Information at March 31, 2023 are the same as those adopted and reported in the Annual Financial Report at December 31, 2022 in the paragraph “Consolidation principles and basis”.

Summary of the main accounting standards and policies

In preparing the Periodic Financial Information at March 31, 2023, the same accounting standards and policies used to prepare the Consolidated Financial Statements at December 31, 2022 were adopted and to which reference should be made to the paragraph “Accounting policies”. In addition, with regards to the accounting standards applicable from January 1, 2023, and indicated in the Annual financial report at December 31, 2022, no significant impacts were reported.

Translation of balances in foreign currencies

The receivables and payables originally expressed in foreign currencies are converted into Euro at the exchange rate of the relative transactions. The differences arising on the collection of receivables and settlement of payables in foreign currencies are recorded in the income statement.

Revenues and income, costs and charges related to currency transactions are recorded at the exchange rate at the transaction date.

At the end of the period the assets and liabilities measured in foreign currencies, with the exception of non-current non-monetary assets (which maintain the carrying value of the transaction date) are recorded at the exchange rates at the reporting date and the relative gains or losses on exchange are recorded in the income statement.

The main exchange rates (currency for 1 Euro) used to translate the financial statements in currencies other than the Euro for the periods ended March 31, 2023, December 31, 2022 and March 31, 2022 (comparative data) are summarized below:

Currency		Average rate		Closing rate	
		31.03.2022	31.03.2023	31.12.2022	31.03.2023
BRL	Brazilian Real	5.882	5.574	5.639	5.516
CAD	Canadian Dollar	1.422	1.451	1.444	1.474
CZK	Czech Koruna	24.638	23.785	24.116	23.492
CNY	Yuan Renminbi	7.127	7.341	7.358	7.476
GBP	Pound Sterling	0.836	0.883	0.887	0.879
HUF	Forint	364.097	388.653	400.870	379.500
MXN	Mexican Peso	23.006	20.045	20.856	19.639
SGD	Singapore Dollar	1.518	1.430	1.430	1.446
USD	US Dollar	1.123	1.073	1.067	1.088
THB	Baht	37.090	36.413	36.835	37.111
INR	Indian Rupee	84.417	88.254	88.171	89.400
TRY	Turkish Lira	15.655	20.260	19.965	20.863
AED	UAE Dirham	4.122	3.941	3.917	3.994
JPY	Yen	130.459	141.977	140.660	144.830
VND	Dong	25,556.667	25,290.700	25,183.000	25,528.000
MAD	Dirham Morocco	10.622	11.043	11.158	11.104
KRW	Won sud	1,352.600	1,369.467	1,344.090	1,420.260
IDR	Rupia thailandese	n.a.	16,341.533	n.a.	16,300.190

Information on risks and financial instruments

The accounting policies applied in the preparation of the Periodic Financial Information at March 31, 2023 for financial instruments are described in the "Accounting policies" section of the Annual Financial Report at December 31, 2022.

Group operations are exposed to a series of financial and operating risks which may impact the balance sheet/financial position, the result and the cash flows, through the relative impact on financial instrument transactions.

There were no changes compared to that indicated in the Annual Financial Report at December 31, 2022 regarding the risks to which the Group is exposed and their management. Specifically, as already described in detail, at the end of February 2020, following the outbreak of the COVID-19 health emergency, the general economic environment significantly deteriorated as a result of the restrictions introduced by the governments of the countries involved. In the same way, the great geopolitical tensions surrounding the conflict between Russia and Ukraine may lead to significant international humanitarian and social crises with major impacts on the people in these countries, as well as on the global economy and on the Group. International sanctions, used as a deterrent for certain countries involved, have had a significant impact on global trade and have led to a sharp increase in production costs, particularly in terms of energy, which has fueled an inflationary spiral that central banks are seeking to control by further tightening monetary policy and increasing interest rates.

The situation is constantly evolving and the Company is monitoring the markets closely to assess any impact it may have on the business. However, it should be noted that the Group has limited exposure to the regions involved in the war (i.e. Ukraine, Russia, and Belarus) both in terms of sales and purchases; therefore, assuming that the impact of the conflict remains contained to those regions, this should not have a significant impact on Group performance.

These developments, which are extraordinary in nature and extent, have had and continue to have, direct and indirect repercussions on economic activity giving rise to an environment of general uncertainty and whose evolution and effects are unforeseeable. This macroeconomic landscape may also have inevitable repercussions on the other risks described below.

Notes to the consolidated statement of financial position

[1] Property, plant and equipment

They amount to Euro 43,174 thousand at March 31, 2023 (Euro 43,046 thousand at December 31, 2022). They are composed as shown in the following tables, which also present the changes in Q1 2023.

Category		Balance at 31.12.2022	Additions	Disposals	Translation reserve differences	Reclass.	Depr.	Balance at 31.03.2023
Land and buildings	Historical cost	37,714	135	(509)	(399)	435	-	37,375
	Depreciation fund	(9,182)	-	278	227	-	(274)	(8,951)
	Total	28,532	135	(231)	(172)	435	(274)	28,424
Plant and machinery	Historical cost	21,967	131	(3)	(188)	177	-	22,083
	Depreciation fund	(13,482)	-	1	143	(1)	(274)	(13,613)
	Total	8,485	131	(2)	(45)	176	(274)	8,470
Industrial and commercial equipment	Historical cost	6,231	46	-	0	-	-	6,278
	Depreciation fund	(5,503)	-	-	(0)	-	(89)	(5,593)
	Total	728	46	-	0	-	(89)	685
Other assets	Historical cost	27,551	259	(119)	(231)	-	-	27,461
	Depreciation fund	(23,486)	-	114	208	-	(340)	(23,503)
	Total	4,065	259	(4)	(23)	-	(340)	3,957
Assets under construction and advance payments	Historical cost	1,237	1,014	-	(3)	(612)	-	1,636
	Depreciation fund	-	-	-	-	1	-	1
	Total	1,237	1,014	-	(3)	(611)	-	1,637
Total		43,046	1,585	(237)	(243)	-	(977)	43,174

Capital expenditures in Q1 2023 totaled Euro 1,585 thousand, of which non-recurring totaling Euro 999 thousand and relating for Euro 280 thousand to the subsidiary FEA S.r.l. as part of the production area expansion, for Euro 104 thousand to the subsidiary Piovan Industrial Automation, related to the initial construction work on the new building in China, and for Euro 557 thousand to Piovan S.p.A. related mainly to the purchase and installation of photovoltaic panel plant.

At March 31, 2023, property, plant and equipment are not burdened by mortgages or liens.

They are adequately covered against the risk of loss and/or damage through insurance policies with leading insurance companies.

Finally, no borrowing costs directly attributable to the acquisition, production or construction of tangible assets have been capitalized.

[2] Right-of-use assets

Right-of-use assets at March 31, 2023, of Euro 23,583 thousand increased on Euro 22,109 thousand at December 31, 2022.

The most significant increase concerns the component Buildings, which includes the signing of a new lease agreement for an additional warehouse by Pelletron US in Pennsylvania and the signing of a new lease agreement for a warehouse by the subsidiary FDM GmbH.

Below is a table with the changes in the year for each class of Right-of-Use:

Category		Balance at 31.12.2022	Additions	Disposals	Translation reserve differences	Depr.	Balance at 31.03.2023
Land and buildings	Historical cost	33,271	2,511	-	(208)	-	34,965
	Depreciation fund	(12,340)	-	-	48	(891)	(12,573)
	Total	20,931	2,511	-	(160)	(891)	22,391
Plant and machinery	Historical cost	1,870	-	-	-	-	1,870
	Depreciation fund	(1,836)	-	-	-	(5)	(1,841)
	Total	34	-	-	-	(5)	29
Other assets	Historical cost	3,131	187	(74)	6	-	3,251
	Depreciation fund	(1,988)	-	57	(3)	(154)	(2,088)
	Total	1,144	187	(16)	3	(154)	1,163
Total		22,109	2,698	(16)	(157)	(1,051)	23,583

[3] Intangible assets

They amount to Euro 125,597 thousand at March 31, 2023, compared to Euro 128,297 thousand at December 31, 2022. The breakdown of the movements are as follows:

Category	Balance at 31/12/2022	Additions	Translation reserve differences	Depreciation	Balance at 31/03/2023
Goodwill	63,709	-	(869)	-	62,840
Industrial patent and intellectual property rights	830	48	(6)	(57)	815
Concessions, licences, trademarks and similar rights	6,979	45	(121)	(143)	6,759
Other intangible assets	56,552	455	(1,025)	(1,111)	54,872
Assets under construction and payments on account	227	86	0	(3)	311
Total	128,297	634	(2,019)	(1,314)	125,597

The changes from the previous year are mainly attributable to the acquisition of intangible assets from ProTec Polymer Processing GmbH, to amortization for the period, and to currency differences.

The figure includes the intangible assets recognized following the acquisition of the IPEG group, particularly in the form of know-how for a residual Euro 5,446 thousand, customer relationships for a residual Euro 27,884 thousand, trademarks for a residual Euro 3,472 thousand, and goodwill in the amount of Euro 41,272 thousand.

Goodwill at March 31, 2023 amounted to Euro 62,841 thousand, compared to Euro 63,709 thousand at December 31, 2022. The change from the previous year is due to the trend in the EUR/USD exchange rate at period end. The goodwill mainly refers to the acquisition:

- of the US subsidiary Universal Dynamics Inc. ("Unadyn") in 2008;
- the acquisition of Penta S.r.l. at the end of 2014, in Progema S.r.l. in 2006 and in FEA in 2019. For the purpose of impairment testing, these three subsidiaries comprise a single CGU;
- of Dotecco S.p.A. in 2020

- of the IPEG group in 2022, divided into three CGU: “Conair”, “Pelletron”, “Thermal Care”.

Goodwill	31.12.2021	Change in translation reserve	31.03.2023
UnaDyn	3,510	(67)	3,443
Food	2,146	-	2,146
Energys	276	-	276
Doteco	15,695	-	15,695
Conair	29,294	(557)	28,737
Pelletron	5,212	(100)	5,112
Thermalcare	7,568	(145)	7,423
Other	8	-	8
Totale	63,709	(869)	62,841

The amount of tax deductible goodwill totals Euro 1,851 thousand and is attributable to the IPEG group.

No facts or events have been identified that would require updated impairment testing compared to the testing conducted for the accounts at December 31, 2022, which reported very high levels of coverage.

[4] Equity investments

They amount to Euro 11,225 thousand at March 31, 2023, compared to Euro 10,832 thousand at December 31, 2022. The increase is due to the result in the quarter of the Indian company Nuvu Conair Private Ltd, a joint venture in which IPEG Inc. holds a 50% interest.

Details of the movements in these equity investments are as follows:

Company	Registered office	%	31.12.2022	Increase / Decrease	Change in translation reserve	31.03.2023
CMG S.p.A.	Budrio (BO)	20%	216	-	-	216
Penta Auto Feeding India Ltd	Mumbai (India)	50%	102	-	-	102
Nuvu Conair Private Ltd	Ahmedabad (India)	50%	10,019	601	(174)	10,447
Total investments in affiliated companies and JV			10,337	601	(174)	10,765
Affinity			489	-	(9)	479
Toba PNC		10%	-	-	-	-
Other			6	5	-	11
Total other investments			495	5	(9)	490
Total			10,832	606	(183)	11,255

Equity investments in associates and joint ventures as indicated in the table above have been measured at equity. Other equity investments have been measured at fair value through profit or loss. Following the sale of the 41% stake in Toba PNC, the Group continued to hold a minority interest of 10%. The value of the investment was fully written down.

[5] Other non-current assets

At March 31, 2023, these amounted to Euro 585 thousand compared to Euro 574 thousand at December 31, 2022; they mainly refer to various security deposits paid by Group companies on utilities and lease contracts for buildings where Group companies have their headquarters.

[6] Deferred tax assets and liabilities

Deferred tax assets amounted to Euro 10,574 thousand at March 31, 2023, compared to Euro 10,744 thousand at December 31, 2022.

Deferred tax liabilities amounted to Euro 15,063 thousand at March 31, 2023 compared to Euro 15,591 thousand at December 31, 2022. The Group has set aside deferred tax assets and liabilities on temporary differences between book values and tax values.

In particular, deferred tax assets and liabilities derive from the accrual of taxes on future costs or benefits with respect to the period in question, mainly as a result of increased taxes generated from the non-deductibility of losses on receivables, write-downs of equity investments, directors' fees not yet paid, and other amortization and depreciation deductible in subsequent years and provisions for risks.

Taxation has been calculated on the basis of the rates in force when the temporary differences will reverse in the various countries where the Group operates.

The deferred tax liabilities mainly related to the deferred taxes on the gains on the purchase price allocation of the IPEG group, in the amount of Euro 14,417 thousand at December 31, 2022.

[7] Inventories

At March 31, 2023, they amounted to Euro 89,584 thousand compared to Euro 90,188 thousand at December 31, 2022; the breakdown is shown below:

Inventories	31.03.2023	31.12.2022
Raw materials	45,406	46,176
Semi-finished products	25,741	25,343
Finished goods	28,962	30,624
Progress payments	3,074	1,433
Allowance for inventory write-down	(13,599)	(13,388)
Inventories	89,584	90,188

Inventories are essentially in line with the figures at December 31, 2022, and are consistent with provisioning needs and business trends.

[8] Contract assets and liabilities for work-in-progress

At March 31, 2023, the item Contract assets for work-in-progress amounted to Euro 10,637 thousand, compared with Euro 6,374 thousand at December 31, 2022.

Contract liabilities for work-in-progress amounted to Euro 4,126 thousand at March 31, 2023, compared with Euro 7,060 thousand at December 31, 2022.

The following table shows the amount due from customers net of the relative advance payments (included under Contract assets for work-in-progress), and the amount due to customers, net of the relative advance payments (included under liabilities for work-in-progress):

Contract assets for work in progress	31.03.2023	31.12.2022
Measurement of contracts in progress (costs incurred added to profits recognized)	24,313	23,330
Progress payments received	(13,676)	(16,956)
Amounts due from customers	10,637	6,374
Contract liabilities for work in progress	31.03.2023	31.12.2022
Measurement of contracts in progress (costs incurred added to profits recognized)	17,284	14,856
Progress payments received	(21,410)	(21,916)
Amounts due to customers	(4,126)	(7,060)

[9] Trade receivables

They amounted to Euro 87,620 thousand at March 31, 2023, compared to Euro 89,771 thousand at December 31, 2022. This item, which represents the exposure to third parties, is broken down as follows:

Trade receivables	31.03.2023	31.12.2022
Gross trade receivables	95,704	95,407
Provision for bad debt	(5,405)	(5,636)
Trade receivables	90,299	89,771

Receivables are substantially aligned to the amount as of December 31, 2022.

Write-downs are made on the basis of a careful analysis of past due accounts of customers in financial difficulties and clients with whom legal action has been initiated, in addition to estimated expected losses on receivables by management. The estimate considers past experience for similar receivables, current and historic amounts overdue, losses incurred, receipts, monitoring of the credit quality and projections on economic and market conditions, with the information known at the reporting date.

The provision for bad debt decreased as a result of the reduction in past-due receivables compared to December 31, 2022.

Provision for bad debt	€/000
31.12.2022	5,636
Release	(492)
Accruals	218
Utilisations	-
Change in consolidation area	-
Exchange rate differences	(43)
Riclassifications	86
Assets held for sale and disposal groups	-
31.03.2023	5,405

[10] Current financial assets

They amounted to Euro 6,851 thousand at March 31, 2023, compared to Euro 6,815 thousand at December 31, 2022. This item includes bonds purchased in order to invest available financial resources. These instruments were measured at fair value (level 1) at March 31, 2023 as required by IFRS 9 and were classified as current financial assets in line with the purpose of using part of the available liquidity in low-risk and readily available instruments.

[11] Tax receivables

They amounted to Euro 5,814 thousand at March 31, 2023, compared to Euro 5,469 thousand at December 31, 2022. VAT receivables mainly refer to the parent company Piovan S.p.A. and the subsidiaries Penta S.r.l. and Progema S.r.l.

Tax receivables	31.03.2023	31.12.2022
VAT receivables	1,339	556
Other current tax assets	4,476	4,913
Tax receivables	5,815	5,469

[12] Other current assets

They amounted to Euro 15,691 thousand at March 31, 2023, compared to Euro 13,156 thousand at December 31, 2022. A breakdown follows:

Other current assets	31.03.2023	31.12.2022
Advances to suppliers	12,244	9,067
Receivables from parent	0	332
Prepayments and accrued expenses	2,578	2,151
Other receivables	869	1,606
Other current assets	15,691	13,156

[13] Cash and cash equivalents

They amount to Euro 75,055 thousand at March 31, 2023 compared to Euro 94,364 thousand at December 31, 2022.

Cash and cash equivalents	31.03.2023	31.12.2022
Current accounts and post office deposits	55,026	74,344
Cash equivalent	20,000	20,000
Cash	29	21
Cash and cash equivalents	75,055	94,365

Current accounts and postal deposits are classified as current assets, as highly liquid and convertible into cash with an exchange rate risk that is considered not significant.

“Cash equivalents” caption includes a time deposit that can be divested rapidly.

For further information on the movements to cash and cash equivalents, reference should be made to the Cash Flow Statement.

[14] Assets/Liabilities held for sale and disposal group

At December 31, 2022, this included the assets and liabilities of Toba PNC. For the preparation of the Annual Financial Report at December 31, 2022, the conditions for the application of IFRS 5 were met following the signing of the preliminary agreement for the sale of the 41% interest held by Piovan S.p.A. Therefore, Toba Pnc, was considered, at December 31, 2022, an Asset held for sale. As a result, the assets and liabilities of Toba Pnc. were reclassified among “Assets held for sale and discontinued operations” and “Liabilities directly associated with assets held for sale and discontinued operations”. The sales agreement was finalized with the transfer of the shares on January 31, 2023, the date on which Piovan S.p.A. no longer held a controlling interest in the company. Provided below is a breakdown of the assets and liabilities related to Toba PNC, which have been deconsolidated:

EUR/000	31.12.2022
Assets held for sale and disposal groups	
Property, plant and equipment	49
Right of Use	233
Intangible assets	2
Other non-current assets	61
Inventories	173
Contract assets for work in progress	-
Trade receivables	573
Other current assets	11
Cash and cash equivalents	167
Total Assets held for sale and disposal groups	1,269
Liabilities associated with assets held for sale	-
Employee benefits plans	57
Long-term loans	542
Non-current financial liabilities	436
Trade payables	471
Advance from costumers	537
Current portion of long-term loans	298
Current financial liabilities	629
Tax liabilities and social security contributions	95
Other current liabilities	304
Total Liabilities associated with assets held for sale	3,369
Fair value of assets	(2,100)

[15] Group shareholders' equity

Shareholders' Equity is made up as follows:

Equity attributable to the owners of the parent	31.03.2023	31.12.2022
Share capital	6,000	6,000
Legal reserve	1,200	1,200
Reserve for own shares in portfolio	(2,489)	(2,208)
Translation reserve	2,176	3,952
Other Reserves and retained earnings	124,201	89,579
Net profit (loss)	10,512	34,588
Equity attributable to the owners of the parent	141,600	133,111

The Company's share capital approved, subscribed and paid-in amounted to Euro 6,000,000, divided into 53,600,000 ordinary shares with no par value.

The Company and the Group as at March 31, 2023 hold 2,567.539 treasury shares, equal to 4.79% of the share capital of Piovan S.p.A., directly through Piovan S.p.A. with a value of Euro 2,489 thousand at March 31, 2023. The change from the previous year is related to the assignment of treasury shares in January 2023 in relation to the first cycle of the 2020-2022 Performance Shares Plan. For this cycle, 93,255 shares were assigned to the beneficiaries of the plan, out of which n° 40,094 were simultaneously withheld by Piovan S.p.A. in order to meet the beneficiaries' fiscal obligations, in the form of a substitute tax, related to this assignment.

It should be noted that, with reference to the 2020–2022 Performance Shares Plan, for the second and third cycles, certain executives of the Parent Company were granted the right to receive shares in Piovan S.p.A. numbering 298,761, based on achieving the plan's targets, with vesting dates set across a period from 2023 to 2024. The total value is Euro 970 thousand, whereas the amounts vested at March 31, 2023, totaled Euro 863 thousand. These shares will vest permanently at the end of the vesting period if the executive still has an employment relationship with the Company.

The Translation reserve includes exchange rate differences arising from the translation of the opening shareholders' equity of foreign companies included in the consolidation scope at the exchange rates prevailing at the end of the period and from the translation of their net income at the average exchange rates for the period.

The item Other reserves and retained earnings mainly includes the other profit and capital reserves of the Parent Company, in addition to the consolidated profit for previous years and the effects of adjustments resulting from the adoption of international accounting standards.

[16] Minority interest shareholders' equity

The minority interest shareholders' equity at March 31, 2023 amounted to Euro 2,122 thousand compared to Euro 1,818 thousand at December 31, 2022. The account includes the share of the minority interests in the subsidiaries. FDM GmbH and FEA.

The changes compared to December 31, 2022 were as follows:

- the change in scope of consolidation with the sale of Toba PNC, an increase of Euro 1,283 thousand
- the minority share of the losses of the subsidiaries FDM GmbH and FEA, in the amount of Euro 979 thousand

[17] Basic and diluted earnings per share

At March 31, 2023, the shares in circulation numbered 53,600,000 and the treasury shares held by Piovan S.p.A. amounted to 2,567,539.

Earnings per share was calculated by dividing the net profit attributable to the shareholders of the Parent Company by the weighted average number of ordinary shares in circulation during the reporting period. As mentioned in relation to the Group's equity, ordinary shares were

repurchased in Q1 2023. In addition, it should be noted that in the context of the 2020 - 2022 Performance Shares Plan, there are ordinary shares that could be assigned at the end of the vesting period, drawing on treasury shares in the portfolio and which could have a diluting effect.

The calculation of the basic earnings per share is as follows:

Earnings per share	31.03.2023	31.03.2022 ⁽¹⁾
Net Profit Attributable to Owners of the Parent (in thousands of Euros)	10,512	6,884
Weighted average number of ordinary shares (in thousands of units)	50,448	50,929
Basic earnings per share (in Euros)	0.21	0.14

⁽¹⁾ For the purposes of comparison, the figure for Q1 2022 has been restated compared to the interim report at March 31, 2022, following the definitive purchase price allocation for the IPEG group.

The diluted earnings per share is as follows:

Earnings per share	31.03.2023	31.03.2022 ⁽¹⁾
Net Profit Attributable to Owners of the Parent (in thousands of Euros)	10,512	6,884
Weighted average number of ordinary shares (in thousands of units)	50,834	51,533
Dilutive earnings per share (in Euros)	0.21	0.13

⁽¹⁾ For the purposes of comparison, the figure for Q1 2022 has been restated compared to the interim report at March 31, 2022, following the definitive purchase price allocation for the IPEG group.

[18] Current and non-current financial liabilities

The account is broken down as follows:

Current financial liabilities (€/000)	31.03.2023	31.12.2022
Short-term bank borrowings	-	7,001
Current portion of long-term loans	37,556	32,692
Other loans and borrowings	3,803	3,503
Current financial liabilities	41,359	43,196

Non-current financial liabilities (€/000)	31.03.2023	31.12.2022
Medium to long-term bank loans	99,718	107,311
Other loans and borrowings	36,055	35,459
Non-current financial liabilities	135,773	142,770

A breakdown by contract is provided below of “Medium to long-term bank loans” and the “Current portion of medium to long-term loans” at March 31, 2023, and December 31, 2022, as well as the main features of the bank loans by maturity:

Currency	Original amount (EUR)	Maturity	Interest rate	Terms	31.03.2023			31.12.2022		
					Residual debt	Current	Non-current	Residual debt	Current	Non-current
EUR	7,000	03/05/2024	Fixed	0.54%	2,204	1,762	442	2,643	1,759	883
EUR	5,000	05/02/2025	Variable	Euribor 6m+0,65%	2,000	1,000	1,000	2,500	1,000	1,500
EUR	7,000	07/04/2024	Variable	Euribor 6m+0,85%	2,625	1,750	875	2,625	1,750	875
EUR	2,000	24/06/2023	Fixed	0.35%	167	167	-	335	335	-
EUR	20,000	14/10/2025	Fisso	0.67%	12,000	4,000	8,000	12,000	4,000	8,000
EUR	4,125	23/12/2028	Variable	Euribor 6m+0,6%	3,536	589	2,946	3,536	589	2,946
EUR	5,000	05/05/2023	Fixed	0.01%	1,667	1,667	-	1,667	1,667	-
EUR	10,000	22/11/2024	Fixed	0.25%	5,842	3,335	2,507	6,675	3,333	3,342
EUR	100,000	21/01/2028	Fixed	1.34%	100,000	20,000	80,000	100,000	15,000	85,000
EUR	10,000	20/06/2025	Variable	1.05%	7,564	3,286	4,279	8,370	3,258	5,112
KRW	839	31/08/2026	Fixed	3.85%	-	-	-	839	298	542
KRW	372	29/06/2026	Fixed	2.03%	-	-	-	372	62	310
Reclassification of liabilities associated with assets held for sale - Toba Pnc					-	-	-	(1,211)	(360)	(852)
Bank loans					137,606	37,556	100,049	140,350	32,692	107,658
EUR	595	30/06/2031	Fixed	0.18%	595	37	558	595	37	558
Other					595	37	558	595	37	558
Total					138,200	37,593	100,607	140,945	32,729	108,216

Loans are recognized at amortised cost and include arrangement expenses of Euro 331 thousand recognized as a reduction to the residual debt (Euro 347 thousand at December 31, 2022).

Financial liabilities changed during the period as follows:

€/000	Current financial liabilities				Non current financial liabilities		
	Short-term bank borrowings	Current portion of M/L loans	Other loans and borrowings	Total current financial liabilities	M/L bank loans	Other loans and borrowings	Total non current financial liabilities
31.12.2022	7,001	32,692	3,503	43,196	107,311	35,459	142,770
Disbursements/(Refunds)	(7,001)	(2,729)	(1,241)	(10,971)	-	-	-
Change in translation reserve	-	-	(33)	(33)	-	(528)	(528)
Increase/(decrease) for lease	-	-	744	744	-	1,954	1,954
Reclassifications from non current to current	-	7,593	830	8,423	(7,593)	(830)	(8,423)
31.03.2023	0	37,556	3,803	41,359	99,718	36,055	135,773

[19] Employee defined benefits

They amount to Euro 5,294 thousand at March 31, 2023 compared to Euro 5,445 thousand at December 31, 2022.

The item mainly includes the liabilities for the Post-employment benefit provision recorded in the companies of the Group qualifying as defined benefit plans according to IAS 19 and thus subject to actuarial calculation.

Compared to the actuarial assumptions outlined in the Explanatory Notes to the Consolidated Financial Report at December 31, 2022, no developments occurred which would require an update to the actuarial calculation and to the underlying assumptions.

[20] Provisions for risks and charges

€/000	31.12.2022	Accruals	Releases	Change in translation reserve	31.03.2023
Provision for legal and tax risks	2,074	984	(824)	(7)	2,227
Provision for product warranties	2,615	290	-	(45)	2,860
Provision for agents' termination benefits	176	3	-	7	186
Pension provision	50	-	(3)	-	47
Provision for investments' losses	-	-	-	-	-
Other provisions for risks	41	-	-	-	41
Provisions for risks and charges	4,956	1,277	(827)	(45)	5,361

The provision for risks and charges at March 31, 2023 reported a net increase of Euro 405 thousand.

The provision for legal and tax risks at March 31, 2023 mainly includes:

- a provision of Euro 99 thousand of the subsidiary Piovan France Sas set aside in 2017 associated with the reorganization of the commercial network in the French market;
- a provision of Euro 167 thousand of the subsidiary Piovan France Sas set aside in relation to a dispute with the owner of the building in which the company operated until 2020.
- a provision of Euro 62 thousand of the subsidiary Piovan Do Brasil was accrued in previous years against a potential liability that could arise as a result of a more restrictive interpretation of the tax regulations for the calculation of taxes. The subsidiary appointed highly qualified tax consultants to analyze the case and quantification of the accrual.
- a provision set aside by the US subsidiary for a total amount at December 31, 2022 of USD 517 thousand (Euro 475 thousand) against a potential liability linked to indirect taxation in various states.
- a provision for the remainder that represents the best estimate of the costs needed to fulfil existing commercial contracts (net of related economic benefits).

The Provision for product warranty was set up to cover estimated warranty service charges to be incurred in the future, calculated on the basis of historical costs and expected costs relating to the machines and plants sold and still within the initial warranty period. The significant increase is attributable to the IPEG group, which grants customers a longer-than-average warranty period for certain specific products.

The provision for agents' termination benefits represents the estimated liability resulting from the application of current legislation and contractual clauses regarding the termination of agency relationships.

[21] Non-current and current liabilities for options granted to non-controlling interest

The liability totaled Euro 481 thousand at March 31, 2023, unchanged on December 31, 2022.

The items in question refer to liabilities for put options granted to the minority shareholders of FEA. In particular, the liability recognized concerns a 32% holding of minority shareholders. The contract stipulates that the minority shareholders may exercise a put option on all, and not part, of their share capital in the period between 30.04.2022 and 30.04.2024. Piovan S.p.A., on the other hand, may exercise a call option - also in a single transaction and in the period between 30.04.2022 and 30.04.2024 - on the 12% of share capital held by FEA's historic shareholders. The value of the share is determined when exercising the option based on certain financial parameters defined in the agreements between the parties. The liability, which is measured based on the expected trends in these parameters, decrease in part in response to the change in the minority interest in 2022 following the acquisition by Piovan of an additional interest and in part following an update to future estimates of the parameters used for the calculation.

The book value of the liabilities for put options described above represent the best estimate, at each reference date, of their present value.

With regard to the subsidiary FDM, the minority shareholder of the latter holds a put option on its share (33.33%). This option has not been measured as it is subordinate to actions that the Parent Company must implement and therefore under the control of the latter.

[22] Other non-current liabilities

At March 31, 2023, these amounted to Euro 3,257 thousand compared to Euro 3,295 thousand at December 31, 2022, and are represented by payables to employees for incentive plans and by non-current tax payables of the subsidiaries Piovan Do Brasil and Piovan Plastic Machinery.

€/000	31.03.2023	31.12.2022
Payables to employees	2,606	2,630
Tax payables	651	664
Other current liabilities	3,257	3,295

[23] Trade payables

They amounted to Euro 68,562 thousand at March 31, 2023, compared to Euro 77,292 thousand at December 31, 2022. The movement in this item on December 31, 2022 mainly derives from the reduction in the timing of payments.

[24] Advances from customers

At March 31, 2023, Advances from customers amounted to Euro 51,112 thousand, compared to Euro 50,248 thousand at December 31, 2022. This item refers to advances received by customers and relating to contracts where performance obligations are met at a point in time.

[25] Tax payables and social security institutions

They amount to Euro 10,187 thousand at March 31, 2023, compared to Euro 11,285 thousand at December 31, 2022. The account is broken down as follows:

€/000	31.03.2023	31.12.2022
Social security contributions	3,492	3,935
VAT liabilities	1,624	3,104
Tax withholdings for employees	1,210	1,638
Income tax liabilities (IRES and IRAP)	3,777	2,525
Other	84	84
Tax liabilities and social security contributions	10,187	11,285

The account decreased mainly as a result of the reduction in VAT payable.

[26] Other current liabilities

They amounted to Euro 24,400 thousand at March 31, 2023, compared to Euro 23,093 thousand at December 31, 2021. The account is broken down as follows:

€/000	31.03.2023	31.12.2022
Payables to employees	13,374	12,383
Payables to parent company	1,072	0
Accrued income and deferred expense	3,722	3,922
Other payables	6,232	6,788
Other current liabilities	24,401	23,092

Employee payables refer to wages and salaries and accruals for vacation and leave accrued.

Payables to parent companies mainly refer to the parent company Piovani S.p.A. and concern estimated current taxes based on performance for the period in accordance with the tax consolidation contract in place with the parent company, PentaFin S.p.A.. The balance at December 31, 2022 was a credit. Accruals and deferred income include accrued expenses for the period and deferred income related to future periods.

Notes to the Consolidated Statement of Profit and Loss

[27] Revenues

Revenues amounted to Euro 138,932 thousand in Q1 2023 compared to Euro 105,294 thousand in Q1 2022, an increase of 31.9%. Revenues are shown net of discounts and rebates. It should be noted that Q1 2022 includes the IPEG group for just 2 months.

In order to provide adequate disclosure a breakdown of revenues by market and region is provided below. This breakdown is the analysis regularly monitored by Group Management.

The breakdown of revenue by market is as follows:

€/000	First quarter 2023	%	First quarter 2022	%	Change	Change %
Plastic	109,079	78.5%	78,076	74.2%	31,003	39.7%
Food & non plastic	8,433	6.1%	11,532	11.0%	(3,099)	(26.9%)
Services	21,420	15.4%	15,686	14.9%	5,734	36.6%
Revenue	138,932	100.0%	105,294	100.0%	33,638	31.9%

Part of the revenues of the Plastic Systems and the Food and non plastics Systems markets derive from contracts with customers where the performance obligations, as well as the recognition of the related revenues, are met over time, as described in the section “Accounting policies” of the Annual Financial Report at December 31, 2022. These revenues amounted to Euro 6,174 thousand in the first three months of 2023, while in the first three months of 2022 totaled Euro 7,989 thousand. This revenue mainly relates to the subsidiaries Penta S.r.l., FEA S.r.l. and Pelletron Corp., part of the IPEG Group.

The breakdown of revenue by region is as follows:

€/000	First quarter 2023	%	First quarter 2022	%	Change	Change %
EMEA	46,102	33.2%	46,286	44.0%	(184)	(0.4%)
ASIA	15,771	11.4%	8,941	8.5%	6,830	76.4%
NORTH AMERICA	72,374	52.1%	46,591	44.2%	25,783	55.3%
SOUTH AMERICA	4,685	3.4%	3,476	3.3%	1,209	34.8%
Revenue	138,932	100.0%	105,294	100.0%	33,638	31.9%

Revenue in EMEA include revenue in Italy which amounted to Euro 12,575 thousand in the first three months of 2023 and Euro 11,395 thousand in the first three months of previous year.

For further information, reference should be made to the “Group operating performance” section.

[28] Other Revenues and Income

Other revenue amounted to Euro 2,167 thousand, decreasing Euro 525 thousand compared to the first three months of 2022 and which break down as follows:

€/000	First quarter 2023	First quarter 2022
Accessory transport services for sales	1,732	1,601
Machinery leases	-	43
Grants	101	350
Contingency	116	337
Gains for disposal of tangible and intangible assets	24	15
Insurance compensation	2	4
Agency commissions	11	66
Increase in fixed assets for internal works	-	3
Other	181	275
Other revenues and income	2,167	2,692

Accessory transport services for sales mainly refers to revenues from transport ancillary services related to sales transactions with customers.

Machinery rent refers to income from the rental of assets produced internally generally for demonstration purposes or for the time until delivery of the system ordered by the customer.

Grants related to income are mainly represented by grants for research and development of Piovan S.p.A.

Other Revenue mainly includes recharges and penalties applied to customers.

[29] Purchases of raw materials, components, goods and change in inventories

This item amounted to Euro 63,771 thousand in the first three months of 2023, compared to Euro 46,812 thousand in the first three months of the previous year. This item is broken down as follows:

(€/000)	First quarter 2023	First quarter 2022
Costs of raw materials, components and goods	61,181	52,120
Costs of consumables	1,960	1,550
Change in raw materials and goods	(737)	(2,314)
Change in finished goods and semi-finished products	1,367	(4,543)
Costs of raw materials, components and goods and changes in inventories	63,771	46,812

The account increased by about 36% compared to the first quarter of the previous year. This accounted for 43.4% of Total revenue and income in the first quarter of 2022 and 45.2% in the first quarter of 2023. This trend particularly reflects the change in consolidated companies, given that, in Q1 2022, the IPEG group, which operates at a lower contribution margin than the rest of the Group, was only included for 2 months. In 2023, the figure also reflected the prudent recognition of certain additional costs related to a contract in the food market for one of the subsidiaries. The Group is currently in negotiations to obtain a number of change orders which, if obtained, would generate revenues in future months, thereby offsetting the costs incurred in the quarter.

[30] Services expenses

Services expenses amounted to Euro 28,206 thousand in the first quarter of 2023, compared with Euro 21,489 thousand in 2022.

€/000	First quarter 2023	First quarter 2022
Outsourcing	10,432	9,083
Transport	3,531	2,142
Business trips and travel	1,699	1,060
Agency commissions	4,537	2,562
Fees to directors, statutory auditors and independent auditors	536	625
Consultancies	1,427	1,396
Maintenance and repairs	1,144	897
Marketing and advertising	1,089	641
Utilities	871	762
Insurance	289	286
Telephone and connections	239	188
Other costs for services	1,566	1,270
Rental expenses	171	283
Leases	48	103
Hires	627	192
Services	28,206	21,489
of which non-recurring	130	455
Costs for services excluding non-recurring services	28,076	21,034

The account increased by about 31% compared to the first quarter of the previous year. It should be noted that Q1 2022 includes the IPEG group for just 2 months. This accounted for 19.5% of Total revenue and income in the first quarter of 2022 and 19.9% in the first quarter of 2023.

The main cost accounts also from an industrial process viewpoint refer to:

- outsourcing costs amounting to Euro 10,432 thousand in the first quarter of 2023 (37.0% of total service costs) determined by the production methods of the Group, which concentrates internally processing and high value added and core activities. In Q1 2022, this item amounted to Euro 9,083 thousand (42.3% of total Services expenses). Outsourcing as a percentage of revenue improved on Q1 2022 due to the different product mix.
- transport costs on purchases and sales, which totaled Euro 3,531 thousand in Q1 2023, equal to 12.5% of service costs, compared to 10.0% from Q1 2022. The change was due to different mix of sales conditions;
- business trips and travel relating to both commercial activities and customer relations, and travel to customers' production sites to carry out installation and start-up and customer assistance;
- commission costs, which totaled Euro 4,537 thousand in Q1 2023, equal to 16.1% of service costs, compared to 11.9% from Q1 2022. The increase is due to the increase in sales volumes and a different sales mix.

Rent, lease and similar costs include costs related to rental agreements that do not meet the characteristics for the application of IFRS 16.

[31] Personnel expense

Personnel expense amounted to Euro 32,642 thousand, compared with Euro 25,709 thousand in the first quarter of 2022. A breakdown of personnel expenses is provided below:

€/000	First quarter 2023	First quarter 2022
Wages and salaries	25,401	20,396
Social security contributions	4,874	3,576
Costs for defined benefit plans	443	484
Other expenses	1,923	1,253
Personnel expenses	32,642	25,709

The account increased by about 27% compared to the first quarter of the previous year. It should be noted that Q1 2022 includes the IPEG group for just 2 months. This accounted for 23.8% of Total revenue and income in the first quarter of 2022 and 23.1% in the first quarter of 2023, recording a small improvement. There have been no significant changes in number or composition of the workforce since the figures reported for the 2022 Annual Report.

[32] Other expenses

This item amounted to Euro 833 thousand compared with Euro 1,048 thousand in the previous year. This item is broken down as follows:

€/000	First quarter 2023	First quarter 2022
Other taxes and duties	334	390
Bad debt provision	(210)	(202)
Entertainment costs	88	71
Net Provision for legal and tax risks	241	543
Provision for product warranty	147	69
Provision for additional client expenses	231	5
Other	3	173
Other expenses	833	1,048

Other taxes and duties mainly includes indirect taxes on property and local taxes related to operations in the various countries and in particular with regard to the newly acquired group in the United States, to the parent company in Italy, and to the other shareholdings in Brazil and in the United States.

Net provisions for legal and tax risks amounted to Euro 241 thousand on new allocations in the first three months of 2023, mainly related to potential charges concerning the commercial operations of a number of Group companies.

[33] Amortization and depreciation

This item amounted to Euro 3,340 thousand compared with Euro 3,368 thousand in previous year. This item is broken down as follows:

€/000	First quarter 2023	First quarter 2022
Amortisation	1,312	1,605
Depreciation	977	871
Right of Use Depreciation	1,051	892
Depreciation & amortisation	3,340	3,368

(*) It should be noted that, for the purposes of comparison, the income statement figures for Q1 2022 have been restated compared to the interim report at March 31, 2022, following the definitive purchase price allocation for the IPEG group.

[34] Financial income and expenses

The account presented net expenses of Euro 388 thousand in Q1 2023, compared to net expenses of Euro 398 thousand in Q1 2022. This item is broken down as follows:

€/000	First quarter 2023	First quarter 2022
Interest income	409	42
Income on financial assets	(96)	38
Other financial income	215	82
Financial income	528	161
Bank interest expenses	600	289
Other interest expenses	109	163
Other financial expenses	209	108
Financial expense	918	560
Net financial income (charges)	(390)	(398)

Financial income is mainly attributable to the Parent Company and includes interest income on deposits and on bonds, which increased compared to Q1 2022 as a result of more effective management of liquidity.

Interest expense increased in response to new financing obtained in January 2022 for the acquisition of the IPEG group.

[35] Net exchange rate gains/(losses)

The item reports a net gain of Euro 87 thousand in Q1 2023, compared to a net gain of Euro 997 thousand in Q1 2022. This item is broken down as follows:

	First quarter 2023	First quarter 2022
Exchange rate gains	1,902	1,683
Exchange rate losses	(1,814)	(687)
Net exchange rate gain (losses)	87	997

Unrealized foreign exchange gains included under *Foreign Exchange gains* amounted to Euro 1,489 thousand in first three months 2023 (78% of foreign exchange gains for the period) and Euro 1,277 thousand in the first three months of 2022 (76% of foreign exchange gains for the period).

Unrealized foreign exchange losses included under *Foreign exchange losses* amounted to Euro 1,437 thousand in the first three months of 2023 (79% of foreign exchange losses for the period) and Euro 326 thousand in the first three months of 2022 (47% of foreign exchange losses for the period).

The change on Q1 2022 is mainly attributable to the IPEG group and to Piovan do Brasil, as well as to the trends in the US dollar and Brazilian real against the Euro.

[36] Gains/(losses) on liabilities for option granted to non-controlling interests

There is no valuation income or expense during the reporting period. For further details, reference should be made to Note [21].

[37] Profits/(Losses) from equity investments carried at equity method

The item amounted to net profit of Euro 601 thousand in Q1 2023 (Euro 216 thousand in Q1 2022), and related to investments measured using the equity method. Reference should be made to note [4] for further information.

[38] Gains/(losses) on assets and liabilities sold

This includes the income attributable to the Group from the sale of the investment in Toba PNC and consequent loss of a controlling interest.

[39] Income Taxes

This item amounted to Euro 4,409 thousand in the first three months of 2023 compared to Euro 3,365 thousand in the first three months of the previous year. Income taxes have been determined taking into account the best estimate of the average annual tax rate expected for the whole year.

	First quarter 2023	First quarter 2022
Current tax liabilities	4,680	3,690
Deferred/advance taxes	(271)	(325)
Income taxes	4,409	3,365

Other information

Non-recurring items

Consob Communication no. DEM/6064293 of July 28, 2006 requires information on significant events and transactions whose occurrence is non-recurring or on transactions or events that do not occur frequently in the normal course of business.

Non-recurring income relates to non-exceptional income items.

Non-recurring expenses in the first quarter of 2023 was Euro 130 thousand and totaled Euro 455 thousand in the first quarter of 2022.

Classes of financial instruments and fair value hierarchy

With reference to the breakdown of financial assets and liabilities required by IFRS 7, there were no transfers between the fair value levels indicated in IFRS 13 and those reported in the Annual Financial Report at December 31, 2022, to which reference should be made for further information.

Segment information

IFRS 8 requires that disclosures regarding operating segments be prepared in such a way as to provide the information necessary to assess the nature and effects on the financial statements of business activities and operating environments. As indicated in the Annual Financial Report at December 31, 2022, this is done based on internal reporting and operating activities that generate revenues and costs, whose results are reviewed periodically by the chief operating decision-maker in order to make decisions about resources to be allocated and to assess performance; operating segments were not identified other than the Group as a whole.

The disclosures also required for entities that have a single segment to report on products sold and services provided and geographical areas are provided in note [27].

Related party transactions

During 2022 and 2023, the Group had commercial relations with some related parties of the Group.

In accordance with the provisions of IAS 24, the following entities are considered Related Parties: (a) companies that directly or indirectly through one or more intermediate companies, control, or are controlled or are under common control with the reporting entity; (b) associated companies; (c) natural persons who directly or indirectly have voting power in the reporting entity that gives them a dominant influence over the company and their immediate family members; (d) key management personnel, i.e. those who have the power and responsibility for

planning, directing and controlling the activities of the reporting entity, including directors and officers of the company and the immediate family members of such persons; (e) companies in which any natural person described under (c) or (d) has, directly or indirectly, significant voting power, or over which such person has such power. Case (e) includes undertakings owned by the directors or major shareholders of the reporting entity and undertakings which have a manager with strategic responsibilities in common with the reporting entity.

All transactions are regulated at market conditions for goods and services of equal quality. For the balances at December 31, 2022, reference should be made to the Annual Financial Report at December 31, 2022, while for the balances at March 31, 2023 there are no transactions and balances of significant amounts with the exception of the tax consolidation payable due to Pentafin S.p.A. described in note [24].

Commitments and risks

Reference should be made to the Annual Financial Report at December 31, 2022

Contingent liabilities and contingent assets

We are not aware of the existence of further disputes or proceedings that are likely to have significant repercussions on the Group's economic and financial situation.

We are not aware of any contingent assets of significance to the Group's financial performance or standing.

List of investments included in the consolidated financial statements and other investments

The table below lists the companies in which the Parent Company has a direct or indirect interest, together with the disclosures required by law for the preparation of consolidated financial statements.

Company name	Registered office	Country	Currency	Share capital at 31/03/2023	% shareholding	Shares held Shareholder-Partner	Consolidation method
Parent:							
Piovan S.p.A.	Santa Maria di Sala	Italy	EUR	6,000,000			
Equity investments in subsidiary companies:							
Piovan India Private Ltd	Mumbai	India	INR	350,000	100.00%	Piovan S.p.A.	Full
Piovan Plastics Machinery Ltd	Suzhou (CN)	Cina	CNY	5,088,441	100.00%	Piovan S.p.A.	Full
Piovan Do Brasil Ltda	Osasco (BRA)	Brasile	BRL	11,947,356	100.00%	Piovan S.p.A.	Full
Piovan Mexico S. A.	Queretaro (MX)	Messico	MXN	706,540	100.00%	Piovan S.p.A.	Full
Piovan Central Europe GmbH	Brunn am Gebirge (A)	Austria	EUR	35,000	100.00%	Piovan S.p.A.	Full
Piovan UK Ltd	Bromsgrove (GB)	Regno Unito	GBP	25,000	100.00%	Piovan S.p.A.	Full
Piovan Czech Republic s.r.o.	Praga (CZ)	Repubblica Ceca	CZK	200,000	100.00%	Piovan Central Europe GmbH (90%) Piovan S.p.A. (10%)	Full
Piovan France Sas	Chemin du Pognat (F)	Francia	EUR	1,226,800	100.00%	Piovan S.p.A.	Full
Universal Dynamics Inc.	Fredericksburg, Virginia (U.S. A.)	USA	USD	3,500,000	100.00%	Piovan S.p.A.	Full
Piovan GmbH	Garching (D)	Germania	EUR	102,258	100.00%	Piovan S.p.A.	Full
Piovan Canada Ltd	Mississauga - Ontario (CAN)	Canada	CAD	10	100.00%	Piovan S.p.A.	Full
Piovan Asia Pacific Ltd	Bangkok (TH)	Tailandia	THB	8,010,000	100.00%	Piovan S.p.A.	Full
FDM GmbH	Troisdorf (DE)	Germania	EUR	75,000	66.67%	Piovan S.p.A.	Full
Piovan Muhendsluk Ltd	Beikoz (TR)	Turchia	TRY	10,000	100.00%	Piovan S.p.A.	Full
Penta S.r.l.	Ferrara (IT)	Italia	EUR	100,000	100.00%	Piovan S.p.A.	Full
Energys S.r.l.	Venezia (IT)	Italia	EUR	10,000	100.00%	Piovan S.p.A.	Full
Piovan Japan Inc.	Kobe (J)	Giappone	JPY	6,000,000	100.00%	Piovan S.p.A.	Full
Piovan Gulf FZE	Dubai (UAE)	Emirati Arabi	AED	1,000,000	100.00%	Piovan S.p.A.	Full
Aquatech S.r.l.	Venezia (IT)	Italia	EUR	40,000	100.00%	Piovan S.p.A.	Full
Piovan Vietnam Company Ltd	Mai Chi Tho (Vietnam)	Vietnam	VND	1,136,500,000	100.00%	Piovan S.p.A.	Full
Progema S.r.l.	San Felice sul Panaro (MO)	Italia	EUR	25,000	100.00%	Penta S.r.l.	Full
Piovan Hungary Kft	Budapest	Ungheria	HUF	3,000,000	100.00%	Piovan Central Europe GmbH	Full
Piovan Maroc Sarl. AU	Kenitra	Marocco	MAD	1,000,000	100.00%	Piovan S.p.A.	Full
FEA Process&Technological Plants S.r.l.	Scarnafigi (CN)	Italia	EUR	20,400	68.17%	Piovan S.p.A.	Full
Studio Ponte S.r.l.	Poggio Renatico (FE)	Italia	EUR	10,000	100.00%	Penta S.r.l.	Full
Penta Auto Feeding India Ltd	Navi Mumbai (India)	India	INR	10,000,000	50.00%	Penta S.r.l.	Equity method
CMG America Inc.	Clio	Michigan	USD	70,000	100.00%	Piovan S.p.A.	Equity method
Doteco S.p.A.	Modena (IT)	Italia	EUR	1,000,000	100.00%	Piovan S.p.A.	Full
Doteco INC	Dalton, Georgia (U.S.A.)	USA	USD	75,000	100.00%	Doteco S.p.A.	Full
Piovan North America Llc	Delaware (USA)	USA	USD	0	100.00%	Piovan S.p.A.	Full
IPEG Holdings Inc.	Delaware (USA)	USA	USD	21,038,000	100.00%	Piovan North America Llc	Full
IPEG Inc.	Franklin, Pennsylvania (USA) Pinconning, Michigan (USA)	USA	USD	4,502,000	100.00%	IPEG Holdings Inc.	Full
Republic Machine Inc.	Kentucky (USA)	USA	USD	100	100.00%	IPEG Inc.	Full
Thermal Care Inc.	Illinois (USA)	USA	USD	1,000	100.00%	IPEG Inc.	Full
Pelletron Corp.	Pennsylvania (USA)	USA	USD	1,000	100.00%	IPEG Inc.	Full
Conair Mexicana S.A. de C.V.	Guadalupe (Mexico)	Messico	MXN	52,739,210	100.00%	IPEG Inc.	Full
International Plastics Equipement Group S.A. de C.V.	Guadalupe (Mexico)	Messico	MXN	50,000	100.00%	IPEG Inc.	Full
Pelletron Europe GmbH	Bodnegg (Germany)	Germania	EUR	55,654,985	100.00%	IPEG Inc.	Full
Conair Pacific Equipement Pte Ltd	(Singapore)	Singapore	SND	10,000	100.00%	IPEG Inc.	Full
Conair Trading (Shanghai) Co Ltd	Shanghai (China)	Cina	CNY	0	100.00%	IPEG Inc.	Full
Conair Asia Pte Ltd	(Singapore)	Singapore	SND	10,000	100.00%	IPEG Inc.	Full
Conair Asia Pte Ltd	Taiwan	Taiwan	TWD	17,900,000	100.00%	IPEG Inc.	Full
Piovan Industrial Automation (Suzhou) Co., Ltd.	Suzhou (Cina)	Cina	CNY	40,000,000	100.00%	Piovan S.p.A.	Full
Equity investments in affiliated companies:							
CMG S.p.A.	Budrio (BO)	Italia	EUR	1,250,000	20.00%	Piovan S.p.A.	Equity method
NuVu Conair Private LTD	Ahmedabad (India)	India	INR	19,915,000	50.00%	IPEG Inc.	Equity method

Events after March 31, 2023

Refer to paragraph Group Performance in the section “Events after March 31, 2023”.

Santa Maria di Sala (Venezia), May 10, 2023

For the Board of Directors

The Executive Chairman

Nicola Piovan