PERIODIC FINANCIAL STATEMENTS

at September 30, 2023

Contents

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

CORPORATE BODIES 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 Accounts, 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 Accounts.

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 Accounts.

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

Control, Risks and Sustainability Committee

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

Name	**In charge**
Antonella Lillo	Chairman
Marco Maria Fumagalli	
Mario Cesari	

Nomination and Remuneration Committee

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

Name	In charge
Manuela Grattoni	Chairman
Marco Maria Fumagalli	
Antonella Lillo	

Related Parties Committee

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

Name	In charge
Marco Maria Fumagalli	Chairman
Manuela Grattoni	
Mario Cesari	

Supervisory Board

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

Name	In charge
Patrizia Santonocito	Chairman
Giovanni Boldrin	
Chiara Zilio	

Executive Officer for Financial Reporting

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

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 Interim Report at September 30, 2023 were:

Declarant	Direct shareholder	% of ordinary share capital (*)	% of voting share capital (**)	% of ordinary share capital (***)	% of voting share capital (****)
Nicola Piovan	**Pentafin S.p.A**	**58.350**	**68.962**	**61.286**	**71.515**
7INDUSTRIES HOLDING BV	**7INDUSTRIES HOLDING BV**	**9.205**	**6.859**	**9.668**	**7.113**

(*) 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

The Piovan Group operates in Italy and internationally in the production of systems for the automation of production processes for the storage, transport and treatment of polymers, recycled plastics and bio-resins (“Technical Polymers"), automation systems for the storage and transport of food fluids and food and non-food powders ("Food Systems & Industrial Applications”), and technical assistance and marketing of spare parts and services ("Services"). The Group is a global leader in the Technical Polymers market in the design and production of plants and control systems for the automation of all phases of the polymers, recycled plastics and bio-resins production cycle. In particular, over recent years the Group has been particularly engaged in developing and producing systems to automate production processes for the circular economy for recycling and reusing plastic and for the production of plastics which are naturally compostable.

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 is increasingly specialized in the design and production of automation systems for the storage, transport and treatment of polymers and plastic powders, 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 polymers and plastic powders, 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, Doteco S.p.A., an Italian leader globally in technology for the dosing of plastic film and synthetic fibers, along with its U.S. subsidiary Doteco, Inc., joined the Piovan Group.

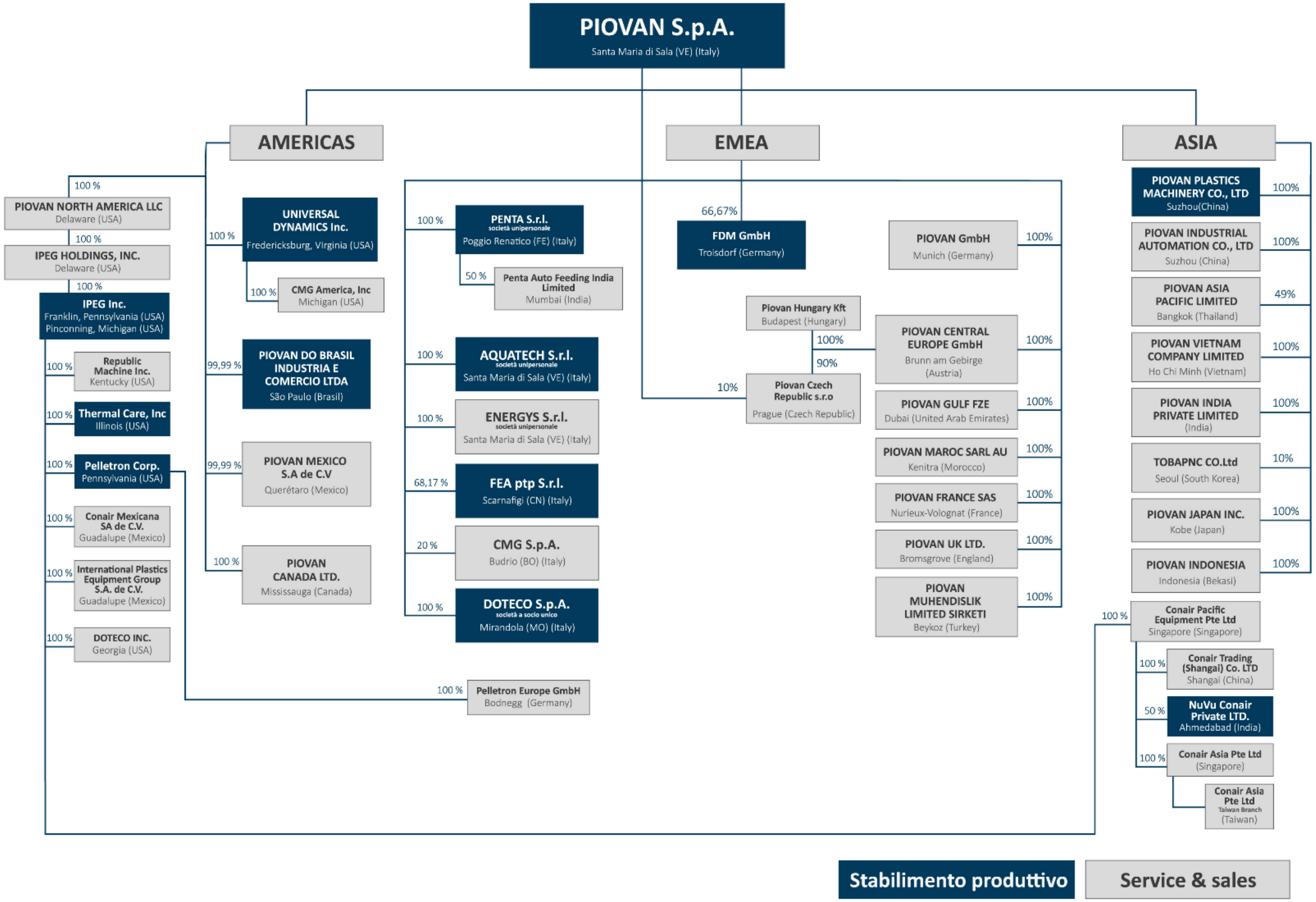
Finally, in January 2022, Piovan S.p.A. completed the acquisition of the entirety of the share capital in Sewickley Capital Inc., owner of 100% of IPEG Inc. – an industry leader in North America. The Piovan Group, through this acquisition, has further consolidated its global leadership in systems for the automation of polymers, recycled plastics and bio-resins processing.

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 June 30, 2023, comprises 42 companies on 4 continents, including 13 production companies with 14 plants and 29 commercial companies, is entrusted directly to Piovan S.p.A.

The global reach of the 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 treatment of polymers, recycled plastics and bio-resins to every final sector, and for the transport and treatment 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 & Technologica 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



GROUP PERFORMANCE

General economic overview

The global economy continues to be shrouded by the uncertainty, exacerbated by the outbreak of wars in several regions and persistent inflation. According to the International Monetary Fund's ("IMF") latest update, the recovery "*remains slow and uncertain*", with global growth expected to slow.

Price inflation appears to be slowing at a global level, from 9.2% in 2022 on an annual basis to an expected 5.9% this year and an expected 4.8% in 2024. Core inflation, excluding food and energy prices is expected to decline (although gradually) to 4.5% next year. The IMF however estimates that cost of living inflation shall not reduce to the 2% targets for most countries until at least 2025.

According to the IMF, projections continue to be consistent with a "soft landing" scenario, thanks partly to the measures taken by the authorities to contain the Swiss and US banking turbulence, which have reduced immediate financial sector default risks, although the balance of risks which may impact global growth remains unstable.

For the advanced economies, growth shall slow from 2.6% in 2022 to 1.5% this year and to 1.4% in 2024. Growth for the US of 2.1% is forecast for 2023 and of 1.5% for 2024, an upward revision of 0.3% and of 0.5% against the estimates published by the IMF in July 2023.

Eurozone growth of just 0.7% is forecasts this year (-0.2% compared to July) and of 1.2% (-0.3%) in 2024. The Eurozone projections are particularly impacted by the slowing German economy, which is expected to slip into recession in 2023, with a contraction of 0.5%, before returning to growth of 0.9% in 2024.

The emerging and developing economies are expected to grow by 4% both in 2023 and 2024. The slowdown of the emerging economies reflects the Chinese real estate crisis, with Chinese growth of 5% expected in 2023 (downward revision of -0.2% against July 2023) and of 4% (-0.3%) in 2024. The forecasts for India are brighter, with 6.3% growth forecast for both years considered.

The services sector recovery is almost complete, while part of the slowdown relates to the strict monetary policies introduced by the central banks to contain inflation. Prices and economic output continued to be impacted by last year's raw material cost increases. For most economies, the priority remains that of achieving lasting disinflation, ensuring at the same time financial stability. Therefore, the central banks should pursue the achievement of price stability and strengthen financial supervision and risk monitoring.

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 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 first nine months of 2023

Doteco Inc.

On January 1, 2023, Doteco S.p.A. sold its equity interest in Doteco Inc. to IPEG Inc. This transaction, which had 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 non-controlling 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 non-controlling 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, Mr. Maurizio Bazzo was co-opted to the Board and was confirmed by the Shareholders' AGM of April 27, 2023, establishing that he shall remain in office until the conclusion of mandate of the other currently serving directors, and therefore until the Shareholders' AGM called to approve the financial statements at December 31, 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 post-sale services market and expanding market share with the OEM leader on the German market.

Dividends distribution

On April 27, 2023, the Shareholders' AGM approved the distribution of a dividend for Euro 10,206,492.20 (Euro 0.20 per share with profit rights, excluding the treasury shares of the Company). The dividend was paid out from May 17, 2023, with coupon date of May 15, 2023 and date of entitlement to payment of May 16, 2023.

Authorization of treasury share buy-back plan

On April 27, 2023, the Shareholders' AGM conferred to the Board of Directors of the Company the authorization to purchase and make use of treasury shares with prior revocation of the previous authorization of the Shareholders' AGM 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.

New Long Term Incentive Plan

On April 27, 2023, the Shareholders' AGM approved the new stock grant plan for ordinary company shares, called 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), Managers with Strategic Responsibilities, and additional individuals to be selected by the Chairperson of the Board of Directors from among the employees and/or contractors of the Company or subsidiary companies due to the strategic importance of the roles. We highlight that one of the Plan objectives is based on ESG topics.

FEA Process & Technological Plants S.r.l. - Completion of office building

In July 2023, the first phase of the expansion of the headquarters of subsidiary FEA Process & Technological Plants S.r.l. was completed, which included the expansion and modernization of the office building, resulting in the relocation of the workforce. The second phase involving the expansion and modernization of production facilities is scheduled to be completed in the coming months, with all work expected to conclude by the end of 2023.

Performance of the Group

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

It should be noted that the statement of profit and loss for the first nine months of 2022 includes the results of the IPEG group from January 31, 2022, the date on which the acquisition was completed.
It should also be noted that, for the purposes of comparison, the statement of profit and loss figures for 9M 2022 have been restated compared to the interim report at September 30, 2022, following the definitive purchase price allocation for the IPEG group. Income taxes and the Net profit were restated.

Compared with previous financial reports, in order to better reflect the current configuration of products sold and services provided by the Piovan Group, also as a result of the acquisition of the IPEG Group, the target markets have been renamed - now called Technical Polymers (formerly "Plastic"), Food & Industrial Applications (formerly "Food & non-plastic") and Services.

Economic performance of the Group

(amounts in €'000)	Alternative performance measure					
	First nine months 2023	% on total revenues and other income	First nine months 2022 (1)	% on total revenues and other income	2023 vs 2022	%
Revenue	420,170	*98.3%*	373,079	*97.7%*	47,091	*12.6%*
Other revenue and income	7,171	*1.7%*	8,621	*2.3%*	(1,450)	*(16.8%)*
TOTAL REVENUE AND OTHER INCOME	**427,341**	***100.0%***	**381,699**	*100.0%*	**45,642**	***12.0%***
Adjusted EBITDA	**55,696**	***13.0%***	**44,491**	*11.7%*	**11,205**	***25.2%***
EBITDA	**55,424**	***13.0%***	**43,786**	*11.5%*	**11,638**	***26.6%***
OPERATING PROFIT	**45,276**	***10.6%***	**31,315**	*8.2%*	**13,961**	***44.6%***
PROFIT BEFORE TAXES	**46,520**	***10.9%***	**35,723**	*9.4%*	10,796	*30.2%*
Income taxes	14,043	*3.3%*	7,087	*1.9%*	6,956	*98.2%*
NET PROFIT	**32,477**	*7.6%*	**28,637**	*7.5%*	3,840	*13.4%*
Attributable to:						
Owners of the parent	**33,155**	*7.8%*	**28,373**	*7.4%*		
Non-controlling interests	**(678)**	*(0.2%)*	**264**	*0.1%*		
Basic earnings per share	**0.65**		**0.56**			
Diluted earnings per share	**0.65**		**0.55**			

(1) For the purposes of comparison, the statement of profit and loss figures for 9M 2022 have been restated compared to the interim report at September 30, 2022, following the definitive purchase price allocation for the IPEG group. The restated figures concerned the items Income Taxes and Net Profit for the period.

Revenue

In the first nine months of 2023, Piovan Group Revenue amounted to Euro 420,170 thousand, significantly up on Euro 373,079 thousand for the first nine months of 2022 (+12.6%). Recognizing the effect of the acquisition of the IPEG Group retroactively to January 1, 2022, revenue in 9M 2022 would have been Euro 386,642 thousand (+8.7%).

Revenue calculated on a like-for-like basis (i.e. at the average exchange rate for the first nine months of 2022) would have increased by Euro 6,345 thousand at Euro 426,515 thousand and risen 14.3% compared to the first nine months 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 geographical area

The breakdown of revenue by market is as follows:

€/000	First nine months 2023	%	First nine months 2022 (*)	%	Change	Change %
Technical Polymers	322,146	76.7%	283,048	75.9%	39,097	13.8%
Food & Industrial Applications	32,394	7.7%	35,918	9.6%	(3,524)	(9.8%)
Services	65,630	15.6%	54,112	14.5%	11,518	21.3%
Revenue	**420,170**	**100.0%**	**373,079**	**100.0%**	**47,091**	**12.6%**

(*)9M 2022 includes the IPEG group for just 8 months.

Revenue by market in the first nine months of 2023 indicates:

- Technical Polymers revenue increased by 13.8%, with a good performance in all geographical areas. In particular, the increase is attributable to: (i) the increased use of recycled materials in rigid packaging, a sector in which the Group is leader; (ii) an increase of investments in automotive sector , whereby the transition to electric models requires a significant transformation of metal components into technical polymers; and (iii) investments in new pipelines, and more generally in a continuous grown in components for medical applications.

- Food Area & Industrial Applications revenue continues to show a decrease compared to the first nine months of 2022, equal to -9.8%, but with a recovery if compared to the first half of 2023, when the reduction was equal to -19.9%. The contraction of the segment continues to stem from the development timelines of certain projects and the plastic powders market order intake, which has taken some capacity away from food powders;

- the Services division reported revenue growth of 21.3% on the same period of the previous year, confirming the development expectations of the Group.

The breakdown of revenue by region is as follows:

€/000	First nine months 2023	%	First nine months 2022	%	Change	Change %
EMEA	136,483	32.5%	131,004	35.1%	5,479	4.2%
ASIA	41,480	9.9%	32,847	8.8%	8,633	26.3%
NORTH AMERICA	226,682	54.0%	195,322	52.4%	31,360	16.1%
SOUTH AMERICA	15,525	3.7%	13,906	3.7%	1,619	11.6%
Revenue	**420,170**	**100.0%**	**373,079**	**100.0%**	**47,091**	**12.6%**

(*)9M 2022 includes the IPEG group for just 8 months.

Revenue in North America mainly grew as a result of the increased market shares, the good performances of the subsidiary Thermal Care and of the development of important projects in the *Food* area.

Growth in Asia, up 26.3%, shows signs of recovery in the Asian market, also thanks to the winning of some major orders at the end of 2022 and early 2023, and to the positive development in the Indian market.

Performance in Europe is affected by the fact that major projects underway in the *Food* area are developed in Europe and have North America as their final destination. In general, however, business remains positive with a significant increase in market share.

Finally, the South American market continues to perform well, with growth of 11.6% thanks to a satisfactory backlog at the beginning of the year.

Other revenue and income

Other revenue and income decreased by d16.8% on the first nine months of 2022. This aggregate included a number of operating grants in 2022. Recognizing the effect of the acquisition of the IPEG Group retroactively to January 1, 2022, Other revenue and income for the Piovan Group would have been Euro 9,326 thousand (-23.1%).

Total revenue and other income

In the first nine months of 2023, Total revenue and other income of Piovan Group amounted to Euro 427,341 thousand, growing strongly compared to Euro 381,699 thousand in the first nine months of 2022 (+12.0%). Recognizing the effect of the acquisition of the IPEG Group retroactively to January 1, 2022, Revenue and other income in 9M 2022 would have amounted to Euro 395,968 thousand (+7.9%).

Contribution margin

The contribution margin is calculated as the sum of: (+) Total revenue and income (-) 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 Costs).

€/000	First nine months 2022	First nine months 2022
Total revenues and other income	427,341	**381,699**
Costs of raw materials, components and goods and changes in inventories	191,624	171,701
Variable services expenses	49,964	50,408
Contribution margin	**185,753**	**159,590**
% on total revenues and other income	**43.5%**	**41.8%**

(*)9M 2022 includes the IPEG group for just 8 months.

The contribution margin in the first nine months of 2023 was Euro 185,753 thousand, compared to Euro 159,590 thousand in the first nine months of 2022. The margin on total revenue and other income was 43.5% (41.8% in 9M 2022 and 41.8% for the full year 2022).

This figure in 2023 was partly impacted by the prudent recognition of certain additional costs connected with a Food Area order of one of the subsidiaries, in relation to which the Group is currently in negotiations to obtain a number of change orders from the counterparty which, if obtained, would generate revenue in future months, thereby offsetting the costs incurred in the period.

EBITDA

EBITDA in the first nine months of 2023 totaled Euro 55,424 thousand, an increase of 26.6% compared to Euro 43,786 thousand for the first nine months of 2022, with an approximately 13.0% margin on total revenues and other income (11.5% in 2022).

Recognizing the effect of the acquisition of the IPEG Group retroactively to January 1, 2022, EBITDA in the first nine months of 2022 would have been Euro 44,885 thousand (+23.5% in 2023).

The growth in EBITDA reflects certain non-recurring costs incurred for activities related to integrating the 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 non core activities.

Adjusted EBITDA in the first nine months of 2023 totaled Euro 55,696 thousand, for a margin on Total Revenue and other income of 13.0%, increasing by 25.2%, compared to the Adjusted EBITDA for the first nine months of 2022.

Recognizing the effect of the acquisition of the IPEG Group retroactively to January 1, 2022, Adjusted EBITDA in the first nine months of 2022 would have been Euro 45,590 thousand (+22.2%).

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

€/000	First nine months 2023	First nine months 2022
EBITDA	**55,424**	**43,786**
Non recurring expenses related to IPEG group acquisition	229	603
Personnel expenses related to the acquisition of IPEG Inc		102
Non recurring expenses related to Chinese plant	43	
Adj. EBITDA	**55,696**	**44,491**

EBIT

In the first nine months of 2023, EBIT totaled Euro 45,276 thousand, up from Euro 31,315 thousand in the same period of 2022.

EBIT reflects the effects of the purchase price allocation (PPA) of IPEG, which alone included the recognition of amortization of intangible assets of Euro 2,935 thousand in the first nine months of 2023 (Euro 5,163 thousand in the first nine months of 2022). The EBIT margin on total revenue and other income is equal to 10.6%, improving with respect to the previous year (44.6%). Excluding the effects of the PPA as described above, EBIT would have been Euro 48,211 thousand, for a margin on total revenues and other income of 11.3% (Euro 36,477 thousand in 9M 2022 for a margin of 9.6% on total revenue and other income).

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

Net Profit

The net profit for the first nine months of 2023 was Euro 32,477 thousand, increasing on Euro 28,637 thousand in the first nine months of 2022. The margin on total revenue and other income was 7.6% (7.5% in the first nine months of 2022).

The net profit in the first nine months of 2023 benefited from the gain on the sale of Toba PNC. The company, deconsolidated as of the date on which control was transferred, had negative equity of Euro 2,621 thousand (of which Euro 1,278 thousand related to non-controlling interests).

Excluding the amortization of the IPEG PPA, amounting to Euro 2,935 thousand (Euro 5,163 thousand in the first nine months of 2022), the relative tax effect of Euro 656 thousand (Euro 1,051 thousand in the first nine months of 2022), and the income from the disposal of Toba PNC, the net profit for the period would amount to Euro 33,419 thousand (Euro 32,747 thousand in the first nine months of 2022), with a margin on total revenue and other income of 7.8% (8.6% in the first nine months of 2022). The Net Profit in the first nine months of 2022 benefitted from the following two effects: (i) Euro 5,174 thousand in currency effects during the period due to the performance of the dollar against the euro, the Group's functional currency, related to a loan in euro issued by the Parent Company to Piovan North America; (ii) Euro 2,196 thousand related to the benefit recognized in relation to the Patent Box agreement.

Basic and diluted earnings per share

The basic and diluted earnings per share were respectively Euro 0.65 and Euro 0.65 for the first nine months of 2023 (respectively Euro 0.56 and Euro 0.55 for the first nine months of 2022).

Financial performance of the Group

The financial structure of the Piovan Group as at September 30, 2023 is summarized below, compared with December 31, 2022, and where considered significant, with September 30, 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 as 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 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 Call for Attention No. 5/21 of April 29, 2021, which implements the EMSA Guidelines 32-382-1138 of March 4, 2021.

€/000	30.09.2023	31.12.2022	30.09.2022
A. Cash	63,835	74,365	93,797
B. Cash equivalents	12,500	20,000	-
C. Other current financial assets	6,489	6,815	1,474
D. Liquidity (A+B+C)	**82,824**	**101,180**	**95,270**
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	(24,917)	(10,504)	(16,350)
F. Current portion of non-current financial debt	(37,857)	(32,692)	(30,614)
G. Current financial indebtedness (E+F)	**(62,774)**	**(43,196)**	**(46,964)**
H. Net current financial indebtedness (G-D)	**20,050**	**57,984**	**48,306**
I. Non-current financial debt (excluding current portion and debt instruments)	(104,710)	(142,770)	(134,680)
J. Debt instruments	-	-	-
K. Non-current trade and other payables	(2,619)	(3,295)	(25,445)
L. Non-current financial indebtedness (I+J+K)	(107,329)	**(146,065)**	**(160,126)**
M. Total net financial position (H+L)	**(87,279)**	**(88,081)**	**(111,820)**

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 to the Condensed Consolidated Half-Year Financial Statements at June 30, 2023;

- the Group has also recognized liabilities for options granted to non-controlling interests 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 3,893 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.

“Current financial debt (including debt instruments, although excluding the current portion of the non-current financial debt)” includes the fair value estimate of the earn-out (previously included under Non-current financial payables), of USD 21,802 thousand (Euro 20,579 thousand at September 30, 2023 and Euro 20,441 thousand at December 31, 2022), equal to its maximum contractual value which is expected to be paid by June 30, 2024 to the selling shareholders of IPEG Inc., in accordance with contractual obligations.

The Group’s net financial position at September 30, 2023 was a debt position of Euro 87,279 thousand (improving over the net debt position of Euro 111,820 thousand at September 30, 2022), and increasing compared to net debt of Euro 88,081 thousand at December 31, 2022, with a cash generation in the first nine months of 2023 of Euro 802 thousand. Operating activities offset the absorption of cash from the approval and payment of dividend by the Parent Company Piovan S.p.A. in May 2023 for approximately Euro 10,206 thousand, and the capital expenditure in the first nine months of 2023 of approximately Euro 8,073 thousand, in addition to the instalments paid on medium/long-term loans.

Excluding the effects of IFRS 16, the Group’s net financial position at September 30, 2023 was Euro 69,580 thousand, compared to Euro 70,193 thousand at December 31, 2022, with a cash generation of Euro 613 thousand.

Capital expenditures in the first nine months totaled Euro 8,073 thousand (Euro 2,505 thousand in the first nine months of 2022).

Financial debt includes medium/long-term loans, mainly relating to the Parent Company and entirely in euro, for Euro 127,667 thousand, of which Euro 37,857 thousand repayable within 12 months and the remaining Euro 89,810 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.

This loan calls for the Group to meet a series of financial and non-financial covenants in line with market practice, particularly in relation to the debt-to-EBITDA and debt-to-equity ratios (as defined in the related agreement). These parameters are tested on a half-yearly basis (December 31 and June 30 of each year). At that date, Group performance was amply within the covenants.

Net non-current assets

Net 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 September 30, 2023 amounted to Euro 218,102 thousand, increasing on December 31, 2022 (Euro 215,602 thousand), as a combined effect of amortization and depreciation and capital expenditure in the period. 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.

Net non-current assets (amounts in €'000)	At 30th September 2023	At 31st December 2022
Property, plant and equipment	46,650	43,047
Right of Use (IFRS 16 - Lease)	21,390	22,109
Intangible assets	126,052	128,297
Equity investments	11,955	10,832
Other non-current assets	876	574
Deferred tax assets	11,179	10,744
Net non-current assets	**218,102**	**215,602**

Investments

Total investments for the period under review came to Euro 8,073 thousand (Euro 2,505 thousand in the first nine months of 2022 and Euro 5,838 thousand in 2022). Non-recurring investments amounted to Euro 5,142 thousand (Euro 419 thousand in 9M 2022 and Euro 2,430 thousand in 2022), or 1.2% of Total revenue and other income. . They mainly refer to (i) the project to expand the production structure of the subsidiary FEA, for which the first phase was completed in July 2023 and the consequent relocation of the workforce and for which all work is expected to be completed by the end of 2023; (ii) the initial investments related to the construction of the new factory in China (iii) the expenses incurred for two new photovoltaic plants by the Parent Company; and (iv) a number of intangible assets acquired from ProTec Polymer Processing GmbH.

Net trade capital and net working capital

Net working capital for the period ended September 30, 2023, was as follows:

Net working capital (amounts in €'000) (valori in migliaia di euro)	At 30th September 2023	At 31st December 2022	At 30th September 2022
Trade receivables	89,435	89,771	82,886
Inventories	90,954	90,188	98,608
Contract assets for work in progress	6,752	6,374	4,260
Trade payables	(64,101)	(77,292)	(68,599)
Advance from customers	(42,397)	(50,248)	(53,823)
Contract liabilities for work in progress	(4,242)	(7,060)	(5,661)
Net trade capital	**76,401**	**51,734**	**57,670**
Tax receivables	8,008	5,469	7,021
Other current assets	9,511	13,156	17,004
Tax liabilities and social security contributions	(9,897)	(11,285)	(7,091)
Other current liabilities	(28,278)	(23,093)	(23,385)
Net working capital	**55,745**	**35,980**	**51,219**

Net working capital increased on September 30, 2022 and December 31, 2022. This increase is mainly due to the increase in assets for contract work-in-progress for the advancement of a number of orders, the payment timing of trade payables, and the decrease in advances from clients as a result of slowing orders.

The figure at December 31, 2022, does not include the contribution of Toba, a 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

Net non-current liabilities (amounts in €'000)	At 30th September 2023	At 31st December 2022
Employee benefits plans	5,341	5,445
Provision for risks and charges	5,414	4,956
Other non-current liabilities	2,619	3,295
Deferred tax liabilities	15,334	15,591
Net non-current liabilities	**28,708**	**29,286**

At September 30, 2023, medium/long-term liabilities reduced mainly due to the reduction of deferred tax liabilities and the reclassification from non-current to current of payables for employee incentive plans.

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. For the first nine months of 2023, it was approximately 94.2% (94.3% in the first nine months of 2022).

Subsequent events after September 30, 2023

No subsequent events to September 30, 2023 are reported.

Outlook

The Group confirms its focus on continuing on the strategic path undertaken and on boosting its contribution to the circular economy by developing products and solutions for the recycled value chain, increasing acquisitions, and working to achieve greater market share in the Food & Industrial Applications 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 the coming months 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.

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 we 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, where possible, the re-use of plastic objects, the use of recycled plastic which, by 2025, will have to constitute 25% of packaging and the use of biodegradable 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 approximately 32.4% of the automations sold in the packaging, fiber and recycling segments are being used in order to make use of recycled material. Even the incentive to re-use plastic objects, although it represents a minimal potential market share, can give rise to significant investments in order to develop objects whose technical complexity allows their re-use.

Since 2006, the Group has contributed to the building of hundreds of 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.

Regarding organic growth, compared to 2022 which showed a record performance, the first nine months of 2023 also tend to confirm improved results compared to 2022. Although the market is in a phase of greater uncertainty connected to the increase of central bank interest rates and the macroeconomic and geopolitical context which have led to a general contraction in investments, the Group is continuing to increase its market shares and looks to the future with cautious optimism.

The order backlog at September 30, 2023 contracted on the previous year, while remaining above historic Group averages.

The Piovan Group is present in a plurality of geographical areas and in very diversified sectors, and intends, in 2024, to increase investments in the areas with the greatest growth potential.

Against these positive factors however, risks related to the ongoing Russia-Ukraine war and the recent reignition of tensions in the Middle East persist, with its consequent impact on the economy, while the particularly high levels of inflation have forced central banks to considerably raise interest rates, with expectations of negative impacts on client consumption and investment decisions.

CONSOLIDATED FINANCIAL STATEMENTS AND EXPLANATORY NOTES AT SEPTEMBER 30, 2023

Consolidated financial statements at September 30, 2023

Consolidated statement of equity and financial position

(Euro thousands)

ASSETS	Notes	30.09.2023	31.12.2022
NON-CURRENT ASSETS			
Property, plant and equipment	**Note 1**	46,650	43,047
Right of Use	**Note 2**	21,390	22,109
Intangible assets	**Note 3**	126,052	128,297
Equity investments	**Note 4**	11,955	10,832
Other non-current assets	**Note 5**	876	574
Deferred tax assets	**Note 6**	11,179	10,744
TOTAL NON-CURRENT ASSETS		**218,102**	**215,603**
CURRENT ASSETS			
Inventories	**Note 7**	90,954	90,188
Contract assets for work in progress	**Note 8**	6,752	6,374
Trade receivables	**Note 9**	89,435	89,771
Current financial assets	**Note 10**	6,489	6,815
Tax receivables	**Note 11**	8,008	5,469
Other current assets	**Note 12**	9,511	13,156
Cash and cash equivalents	**Note 13**	76,335	94,365
TOTAL CURRENT ASSETS		**287,484**	**306,138**
Assets held for sale and disposal groups	**Note 14**		**1,269**
TOTAL ASSETS		**505,586**	**523,010**

LIABILITIES AND EQUITY	Notes	30.09.2023	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**	5,317	3,952
Other Reserves and retained earnings	**Note 15**	114,395	89,579
Net profit (loss)	**Note 15**	33,155	34,588
Equity attributable to the owners of the parent		**157,578**	**133,111**
Equity attributable to non-controlling interests	**Note 16**	2,420	1,819
TOTAL EQUITY		**159,998**	**134,930**
NON-CURRENT LIABILITIES			
Long-term loans	**Note 18**	89,810	107,311
Non-current financial liabilities	**Note 18**	14,900	35,459
Employee benefits plans	**Note 19**	5,341	5,445
Provision for risks and charges	**Note 20**	5,414	4,956
Non-current liabilities for options granted to non-controlling interest	**Note 21**	-	-
Other non-current liabilities	**Note 22**	2,619	3,295
Deferred tax liabilities	**Note 6**	15,334	15,591
TOTAL NON-CURRENT LIABILITIES		**133,418**	**172,057**
CURRENT LIABILITIES			
Current portion of long-term loans	**Note 18**	37,857	32,692
Current bank loans and borrowings	**Note 18**	646	7,001
Current financial liabilities	**Note 18**	24,271	3,503
Trade payables	**Note 23**	64,101	77,292
Advance from customers	**Note 24**	42,397	50,248
Contract liabilities for work in progress	**Note 8**	4,242	7,060
Current liabilities for options granted to non-controlling interests	**Note 21**	481	481
Tax liabilities and social security contributions	**Note 25**	9,897	11,285
Other current liabilities	**Note 26**	28,278	23,092
TOTAL CURRENT LIABILITIES		**212,170**	**212,654**
Liabilities associated with assets held for sale	**Note 14**		**3,369**
TOTAL LIABILITIES		**345,588**	**388,080**
TOTAL LIABILITIES AND EQUITY		**505,586**	**523,010**

Consolidated statement of profit and loss

(Euro thousands)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS	Notes	30.09.2023	30.09.2022 (1)
Revenues	Note 27	420,170	373,079
Other revenues and income	Note 28	7,171	8,621
TOTAL REVENUES AND OTHER INCOME		**427,341**	**381,699**
Costs of raw materials, components and goods and changes in inventories	Note 29	191,624	171,701
Services	Note 30	79,360	76,992
Personnel expenses	Note 31	97,948	86,503
Other expenses	Note 32	2,985	2,718
Amortisation and depreciation	Note 33	10,148	12,470
TOTAL COSTS		**382,065**	**350,384**
OPERATING PROFIT		**45,276**	**31,315**
Financial income	Note 34	1,283	518
Financial Expenses	Note 34	(2,542)	(2,563)
Net exchange rate gain (losses)	Note 35	(57)	5,452
Gains (losses) on liabilities for option granted to non controlling interests	Note 36	-	-
Profit (losses) from equity investments carried at equity	Note 37	1,224	1,001
Profit (losses) from disposals	Note 38	1,337	-
PROFIT BEFORE TAXES		**46,520**	**35,723**
Income taxes	Note 39	14,043	7,087
NET PROFIT		**32,477**	**28,637**
ATTRIBUTABLE TO:			
Owners of the parent		33,155	28,373
Non-controlling interests		(678)	264
Earnings per share			
Basic earnings per share (in Euros)	Note 17	**0.65**	**0.56**
Diluted earnings per share (in Euros)	Note 17	**0.65**	**0.55**

(1) For the purposes of comparison, the statement of profit and loss figures for 9M 2022 have been restated compared to the interim report at September 30, 2022, following the definitive purchase price allocation for the IPEG group. The restated figures concerned the items Income Taxes and Net Profit for the period.

Consolidated statement of comprehensive income

(Euro thousands)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	30.09.2023	30.09.2022 (1)
Net profit	**32,477**	**28,637**
Items that may be subsequently reclassified to profit or loss:		
- Exchange rate differences	1,321	15,704
Other items valued using the equity method	44	518
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	**33,842**	**44,859**
attributable to:		
- Owners of the parent	34,520	44,595
- Non-controlling interests	(678)	264

(1) For the purposes of comparison, the statement of profit and loss figures for 9M 2022 have been restated compared to the interim report at September 30, 2022, following the definitive purchase price allocation for the IPEG group. The restated figures concerned the items Income Taxes and Net Profit for the period.

Consolidated statement of cash flows

(Euro thousands)

Consolidated Statement of Cash Flow	30.09.2023	30.09.2022 (1) – (2)
OPERATING ACTIVITES		
Net profit	***32,477***	***28,639***
Adjustments for:	-	-
Amortisation and depreciation	10,148	12,470
Provision	2,269	2,164
Net non-monetary financial (income)	2,542	737
Change in employee benefits liabilities	(109)	(217)
(Plus) or minus from disposal of fixed assets and investments	-	-
Unrealized currency exchange rate (gains) losses	(14)	(4,793)
Non-monetary changes related to liabilities for options granted to non-controlling interests	-	-
Investment equity valuation	(1,224)	(1,001)
Other non-monetary variations	1,649	83
Taxes	14,043	7,087
Cash flows from operating activities before changes in net working capital	**61,781**	**45,168**
(Increase)/decrease in trade receivables	970	(1,062)
(Increase)/decrease in inventories	(1,794)	(18,548)
(Increase)/decrease in conctract assets and liabilities for work in progress	(3,213)	75
(Increase)/decrease in other current assets	998	(9,745)
Increase/(decrease) in trade payables	(12,869)	(1,747)
Increase/(decrease) in advance from customers	(8,097)	3,197
Increase/(decrease) in other current liabilities	(2,388)	(2,528)
(Increase)/decrease in non-current assets	(167)	176
Increase/(decrease) in non-current liabilities	(27)	370
Income taxes paid	(11,177)	(6,932)
CASH FLOWS FROM OPERATING ACTIVITIES (A)	**24,017**	**8,424**
INVESTING ACTIVITIES		-
Investments in property, plant and equipment	(7,044)	(1,924)
Disinvestments in property, plant and equipment	139	147
Investments in intangible assets	(1,029)	(419)
Disinvestments in intangible assets	-	40
Disinvestments/(investments) in financial assets	(0)	-
Disinvestments/(investments) in investments	0	-
Dividends gained	148	
Deferred price from the acquisition of controlling interest	-	(1,018)
Business combinations net of the acquired cash	-	(99,965)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	**(7,786)**	**(103,139)**
FINANCING ACTIVITIES		-
Issuance of bank loans	10,000	109,865
Repayment of bank loans	(22,414)	(14,067)
Change in current bank loans and borrowings	(6,355)	(16,997)
Interests paid	(2,542)	(737)
Increase/(decrease) in other financial liabilities	(2,627)	(2,781)
Dividends paid	(10,206)	(5,193)
CASH FLOWS USED IN FINANCING ACTIVITIES (C)	**(34,145)**	**70,091**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	**(17,915)**	**(24,625)**
EFFECT OF EXCHANGE RATE CHANGES ON BALANCE OF CASH HELD IN FOREIGN CURRENCY	**(115)**	**(83)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (E)	**94,365**	**118,505**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(18,030)**	**(24,625)**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (G=D+E+F)	**76,335**	**93,797**

(1) For the purposes of comparison, the statement of profit and loss figures for 9M 2022 have been restated compared to the interim report at September 30, 2022, following the definitive purchase price allocation for the IPEG group. The restated figures concerned the items Income Taxes and Net Profit for the period.
(2) Figures restated as better described in the paragraph “Content, form and basis of preparation of the Periodic Financial Statements at September 30, 2023”.

Statement of changes in Consolidated Equity

(Euro thousands)

	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					(5,093)		(5,093)	(100)	(5,193)
Incentive plans					332		332		332
Treasury shares			42		386		428		428
Non-controlling interest change					288		288	(288)	-
Translation reserve reclassification				(47)			(47)	47	
Total comprehensive income (1)				16,222		28,373	44,595	264	44,859
Balance at September 30th, 2022 (1)	**6,000**	**1,200**	**(2,208)**	**15,071**	**89,070**	**28,373**	**137,506**	**1,370**	**138,876**

(1) For the purposes of comparison, the statement of profit and loss figures for 9M 2022 have been restated compared to the interim report at September 30, 2022, following the definitive purchase price allocation for the IPEG group. The restated figures concerned the items Income Taxes and Net Profit for the period.

	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					(10,206)		(10,206)		(10,206)
Incentive plans			(360)		167		(193)		(193)
Purchase of treasury shares			79		268		346		346
Disposals							-	1,279	1,279
Total comprehensive income				1,365		33,155	34,520	(678)	33,842
Balance at September 30th, 2023	**6,000**	**1,200**	**(2,489)**	**5,318**	**114,396**	**33,155**	**157,578**	**2,420**	**159,998**

Explanatory notes to the consolidated financial statements

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 September 30, 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 operative holding company of a group of companies engaged, in Italy and internationally (the "Group" or the "Piovan Group"), in production processes for the storage, transport and treatment of polymers, recycled plastics and bio-resins ("Technical Polymers"), automation systems for the storage and transport of food fluids and food and non-food powders ("Food Systems & Industrial Applications") and technical assistance and marketing of spare parts and services ("Services"). The Group is a global leader in the Technical Polymers market in the design and production of plants and control systems for the automation of all phases of the polymers, recycled plastics and bio-resins production cycle. In particular, over recent years, the Group has been particularly engaged in developing and producing systems to automate production processes for the circular economy for recycling and reusing plastic and for the production of plastics which are naturally compostable.

The technical solutions proposed by the Group, which permit the automation and streamlining of all the production and transformation process phases, include, for both the Technical Polymers and & Industrial Applications 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 September 30, 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 Statements at September 30, 2023, have been prepared as per Article 154-*ter* of Legislative Decree No. 58/98 and subsequent amendments, in addition to the Consob's Issuers' Regulation.

Content, form and basis of preparation of the Periodic Financial Statements at September 30, 2023

These Periodic Financial Statements at September 30, 2023 were drawn up according to the IAS/IFRS accounting standards endorsed by the European Union. For the preparation of the Periodic Financial Statements at September 30, 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 only to the quarterly reporting.

The Periodic Financial Statements at September 30, 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 September 30, 2023. Comparison is made with the statement of financial position at December 31, 2022 and with the statement of profit and loss and statement of comprehensive income, in addition to the statement of cash flow and the movements in equity, in the first nine months of 2022. In this regard it should also be noted that, for the purposes of comparison, the statement of profit and loss figures for 9M 2022 have been restated compared to the interim report at September 30, 2022, following the definitive purchase price allocation for the IPEG group. Income taxes, and consequently the Net profit and equity at September 30, 2022, were restated. In addition, with regards to the statement of cash flow, as previously outlined in the Annual Financial Report at December 31, 2022, for better disclosure it was decided to include the item "(Increase) or decrease of contract work-in-progress" (previously included in the item "(Increase) or decrease of other current assets" and "Increase or (decrease) of other current liabilities"), and to breakdown investments from divestments with regards to both Property, plant and equipment and Intangible assets. Therefore, as this amendment was introduced from the Annual Financial Report at December 31, 2022, the comparative figures at September 30, 2022 of the statement of cash flow were restated in order to take into consideration this amendment.

The Periodic Financial Statements at September 30, 2023, have been prepared on the basis of the historical cost convention, 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 balance sheet and financial position - that it operates as a going concern as per paragraphs 25 and 26 of IAS 1.

The "functional" and "presentation" currency of the Piovan Group, as defined by IAS 21, is the Euro.

The Periodic Financial Statements at September 30, 2023 have been prepared in thousands of Euro, which may result in rounding differences when individual line items are added together as the individual line items are calculated in Euro.

The preparation of the Periodic Financial Statements at September 30, 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.

Global conflicts

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 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. In fact, following the enactment of the eleventh sanctions package at the end of June 2023, the Group will no longer be able to operate in Russia.

The group however 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 9M 2023, consolidated revenue generated by the Group in Russia, Belarus and Ukraine is 0.3% of the total.

2023 also saw the reignition of strong tensions in the Middle East, where the Group operates albeit with very limited exposure. The situation is also evolving and is constantly being monitored in order to assess any direct and indirect impacts.

Consolidation scope and basis

These Periodic Financial Statements at September 30, 2023 include the financial statements at September 30, 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.
- 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 first nine months of the year.

"Other information" in the Explanatory Notes outlines the companies included in the consolidation scope at September 30, 2023.

The consolidation criteria adopted to prepare the Periodic Financial Statements at September 30, 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 Statements at September 30, 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, as indicated in the Condensed Consolidated Half-Year Financial Statements at June 30, 2023 in the paragraph "Change in accounting standards applicable and effects of new standards", to which reference should be made, no noteworthy impacts are 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 statement of profit and loss.

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 statement of profit and loss.

The main exchange rates (currency for 1 Euro) used to translate the financial statements in currencies other than the Euro for the periods ended September 30, 2023, December 31, 2022, and September 30, 2022 (comparative data), are summarized below:

Currency		Average rate		Closing rate	
		30.09.2023	30.09.2022	30.09.2023	31.12.2022
BRL	Brazilian Real	5.426	5.468	5.307	5.639
CAD	Canadian Dollar	1.458	1.365	1.423	1.444
CZK	Czech Koruna	23.829	24.617	24.339	24.116
CNY	Yuan Renminbi	7.621	7.021	7.735	7.358
GBP	Pound Sterling	0.871	0.847	0.865	0.887
HUF	Forint	381.642	384.295	389.500	400.870
MXN	Mexican Peso	19.293	21.579	18.503	20.856
SGD	Singapore Dollar	1.452	1.464	1.444	1.430
USD	US Dollar	1.084	1.065	1.059	1.067
THB	Baht	37.394	36.795	38.679	36.835
INR	Indian Rupee	89.244	82.331	88.017	88.171
TRY	Turkish Lira	24.092	16.845	29.051	19.965
AED	UAE Dirham	3.979	3.911	3.891	3.917
JPY	Yen	149.579	135.932	158.100	140.660
VND	Dong	25,633.000	24,588.900	25,802.000	25,183.000
MAD	Dirham Marocco	10.964	10.580	10.917	11.158
KRW	Won sud	1,410.682	1,348.729	1,425.260	1,344.090
IDR	Thai Rupee	12,698.834	n.a.	16,383.620	n.a.

Segment disclosure

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].

Information on risks and financial instruments

The accounting policies applied in the preparation of the Periodic Financial Statements at September 30, 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.

Explanatory Notes to the consolidated statement of financial position

[1] Property, plant and equipment

They amount to Euro 46,650 thousand at September 30, 2023 (Euro 43,047 thousand at December 31, 2022). They are composed as shown in the following table, which also present the changes in the first nine months of 2023.

Category		Balance at 31/12/2022	Additions	Disposals	Translation reserve differences	Reclass.	Depreciation	Balance at 30/09/2023
Land and buildings	- Historical cost	37,714	479	(671)	153	610	-	38,285
	- Depreciation fund	(9,182)	-	413	(108)	-	(1,037)	(9,914)
	- Total	**28,532**	**479**	**(258)**	**45**	**610**	**(1,037)**	**28,371**
Plant and machinery	- Historical cost	21,967	406	(37)	8	187	-	22,531
	- Depreciation fund	(13,482)	-	40	(65)	-	(835)	(14,342)
	- Total	**8,485**	**406**	**3**	**(57)**	**187**	**(836)**	**8,189**
Industrial and commercial equipment	- Historical cost	6,231	259	(17)	2	-	-	6,475
	- Depreciation fund	(5,503)	-	8	(2)	-	(270)	(5,767)
	- Total	**728**	**259**	**(9)**	**0**	**-**	**(270)**	**708**
Other assets	- Historical cost	27,551	803	(219)	228	(5)	-	28,358
	- Depreciation fund	(23,486)	-	344	(266)	-	(1,110)	(24,518)
	- Total	**4,065**	**803**	**125**	**(38)**	**(5)**	**(1,110)**	**3,840**
Assets under construction and payments on account	- Historical cost	1,237	5,097	-	-	(792)	-	5,542
	- Depreciation fund	-	-	-	-	-	-	-
	- Total	**1,237**	**5,097**	**-**	**-**	**(792)**	**-**	**5,542**
Total		**43,047**	**7,044**	**(139)**	**(50)**	**0**	**(3,253)**	**46,650**

Capital expenditures in the first nine months of 2023 totaled Euro 7,044 thousand, of which non-recurring totaling Euro 4,692 thousand and relating principally for Euro 1,652 thousand to the subsidiary FEA S.r.l. as part of the production area expansion, for which in July 2023 the first phase was completed, with the consequent reallocation of the workforce and with all works expected to be completed by the third quarter of 2023, for Euro 2,013 thousand to the Chinese subsidiary Piovan Industrial Automation, related to the initial construction work on the new building in China, and for Euro 969 thousand to Piovan S.p.A. related mainly to the purchase and installation of photovoltaic panels.

At September 30, 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

Right-of-use assets at September 30, 2023, of Euro 21,390 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 is offset by depreciation in the period.

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

Category		Balance at 31/12/2022	Additions	Translation reserve differences	Depreciation	Balance at 30/09/2023
Land and buildings	- Historical cost	32,661	1,430	43	-	34,134
	- Depreciation fund	(11,730)	-	-	(2,430)	(14,160)
	- Total	**20,931**	**1,430**	**43**	**(2,430)**	**19,974**
Plant and machinery	- Historical cost	1,870	-	-	-	1,870
	- Depreciation fund	(1,836)	-	-	(16)	(1,852)
	- Total	**34**	**-**	**-**	**(16)**	**18**
Other assets	- Historical cost	3,131	755	5	-	3,891
	- Depreciation fund	(1,988)	-	(4)	(502)	(2,494)
	- Total	**1,144**	**755**	**1**	**(502)**	**1,398**
Total		**22,109**	**2,185**	**44**	**(2,948)**	**21,390**

[3] Intangible assets

They amounted to Euro 126,052 thousand at September 30, 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	Reclass.	Depreciation	Balance at 30/09/2023
Goodwill	**63,709**	-	306	-	-	**64,015**
Industrial patent and intellectual property rights	**830**	97	10	7	(283)	**661**
Concessions, licences, trademarks and similar rights	**6,979**	31	-	(4)	(371)	**6,635**
Other intangible assets	**56,552**	502	360	4	(3,292)	**54,126**
Assets under construction and payments on account	**227**	400	(5)	(7)	-	**615**
Total	**128,297**	**1,029**	**671**	**-**	**(3,946)**	**126,052**

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.

Intangible assets include those recognized following the acquisition of the IPEG group, particularly in the form of know-how for a residual Euro 10,916 thousand, customer relationships for a residual Euro 40,647 thousand, trademarks for a residual Euro 6,347 thousand, and goodwill in the amount of Euro 42,355 thousand.

Goodwill at September 30, 2023 amounted to Euro 64,015 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;
- of Doteco S.p.A. in 2020

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

Goodwill	31.12.2022	Change in translation reserve	30.09.2023
UnaDyn	3,510	24	3,534
Food	2,146	-	2,146
Energys	276	-	276
Doteco	15,695	-	15,695
Conair	29,294	195	29,489
Pelletron	5,212	35	5,247
Thermalcare	7,568	51	7,620
Other	8	-	8
Totale	**63,709**	**306**	**64,015**

The amount of tax deductible goodwill totals Euro 1,605 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 11,955 thousand at September 30, 2023, compared to Euro 10,832 thousand at December 31, 2022. The increase is due to the result in the period of the 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	Dividends	Change in translation reserve	30.09.2023
CMG S.p.A.	Budrio (BO)	20%	216	128		-	344
Penta Auto Feeding India Ltd	Mumbai (India)	50%	102	(35)		7	74
Nuvu Conair Private Ltd	Ahmedabad (India)	50%	10,019	1,131	(148)	37	11,039
Total investments in affiliated companies and JV			**10,337**	**1,224**	**(148)**	**44**	**11,457**
Affinity			489	-		3	492
Toba PNC	Seoul (Corea del Sud)	10%	-				
Other			6	-		-	6
Total other investments			**495**	**-**		**3**	**498**
Total			**10,832**	**1,224**	**(148)**	**47**	**11,955**

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.

As better outlined in the Annual Financial Report at December 31, 2022, with reference to the holding in the Indian company Nuvu Conair Private Ltd., held by IPEG Inc., the investment, in the provisional purchase price allocation phase, was recognized at fair value and the difference compared to the value of the net assets, of USD 5,432 thousand (approximately Euro 5,127 thousand), of NuVu was allocation to Goodwill.

[5] Other non-current assets

At September 30, 2023, these amounted to Euro 876 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 11,179 thousand at September 30, 2023, compared to Euro 10,744 thousand at December 31, 2022.

Deferred tax liabilities amounted to Euro 15,334 thousand at September 30, 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 year 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 14,285 thousand at September 30, 2023.

[7] Inventories

At September 30, 2023, they amounted to Euro 90,954 thousand, compared to Euro 90,188 thousand at December 31, 2022; the breakdown is shown below:

Inventories	30.09.2023	31.12.2022
Raw materials	48,324	46,176
Semi-finished products	23,440	25,343
Finished goods	29,222	30,624
Progress payments	5,113	1,433
Allowance for inventory write-down	(15,145)	(13,388)
Inventories	**90,954**	**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 contract liabilities for work in progress

At September 30, 2023, the item Contract assets for work-in-progress amounted to Euro 6,752 thousand, compared with Euro 6,374 thousand at December 31, 2022.

Contract liabilities for work-in-progress amounted to Euro 4,242 thousand at September 30, 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 Assets for contract work-in-progress), and the amount due to customers, net of the relative advance payments (included under Liabilities for contract work-in-progress):

Contract assets for work in progress	30.09.2023	31.12.2022
Measurement of contracts in progress (costs incurred added to profits recognized)	29,090	23,330
Progress payments received	(22,338)	(16,956)
Amounts due from customers	**6,752**	**6,374**
Contract liabilities for work in progress	**30.09.2023**	**31.12.2022**
Measurement of contracts in progress (costs incurred added to profits recognized)	26,771	14,856
Progress payments received	(31,014)	(21,916)
Amounts due to customers	**(4,242)**	**(7,060)**

[9] Trade receivables

They amounted to Euro 83,435 thousand at September 30, 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	30.09.2023	31.12.2022
Gross trade receivables	95,164	95,407
Provision for bad debt	(5,729)	(5,636)
Trade receivables	**89,435**	**89,771**

The value of receivables slightly decreased on December 31, 2022, in line with the Group's collection policies.

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 annual provision is included under Other operating costs.

The provision for bad debt reports the following movements in the period:

Provision for bad debt	
31.12.2022	**5,636**
Release	(140)
Accruals	630
Utilisations	(385)
Exchange rate differences	(13)
30.09.2023	**5,729**

[10] Current financial assets

They amounted to Euro 6,489 thousand at September 30, 2023, compared to Euro 6,815 thousand at December 31, 2022. This item mainly includes bonds purchased in order to invest available financial resources. These instruments were measured at fair value (level 1) at September 30, 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 8,008 thousand at September 30, 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 subsidiary Penta S.r.l.

Tax receivables	30.09.2023	31.12.2022
VAT receivables	4,444	1,687
Other current tax assets	3,564	3,782
Tax receivables	**8,008**	**5,469**

[12] Other current assets

They amounted to Euro 9,511 thousand at September 30, 2023, compared to Euro 13,156 thousand at December 31, 2022. A breakdown follows:

Other current assets	30.09.2023	31.12.2022
Advances to suppliers	5,982	9,067
Receivables from parent	-	332
Prepayments and accrued expenses	2,495	2,151
Other receivables	1,034	1,606
Other current assets	**9,511**	**13,156**

[13] Cash and cash equivalents

They amounted to Euro 76,335 thousand at September 30, 2023, compared to Euro 94,365 thousand at December 31, 2022.

Cash and cash equivalents	30.09.2023	31.12.2022
Current accounts and post office deposits	63,808	74,344
Cash equivalent	12,500	20,000
Cash	27	21
Cash and cash equivalents	**76,335**	**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.

The “Cash equivalents” account 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 Statement of Cash Flows.

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

At December 31, 2022, this included the assets and liabilities of Toba PNC. For the Annual Financial Report at December 31, 2022, with regards to this company, the conditions were met for the application of IFRS 5 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, a Current 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:

€/000	31.01.2023
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
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] Equity attributable to the owners of the Parent

Equity is made up as follows:

Equity attributable to the owners of the parent	30.09.2023	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	5,317	3,952
Other Reserves and retained earnings	114,395	89,579
Net profit (loss)	33,155	34,588
Equity attributable to the owners of the parent	**157,578**	**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.

Therefore, the Company and the Group as at September 30, 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 September 30, 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, of which 40,094 were simultaneously withheld by the Company in order to meet the beneficiaries' fiscal obligations, in the form of a substitute tax, related to this assignment.

Also 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 1,067 thousand, whereas the amounts vested at September 30, 2023, totaled Euro 817 thousand. These shares will vest permanently at the end of the vesting period if the executive still has an employment relationship with the Company.

In addition, on April 24, 2023, the Shareholders' AGM approved the new stock grant plan for ordinary company shares, called the "2023-2025 Long Term Incentive Plan" (the "Plan"). The Plan is divided into three cycles (the first relating to the 2023- 2025 vesting period, the second relating to the 2024-2026 vesting period, and the third relating to the 2025-2027 vesting period) and provides for the allotment of ordinary shares of Piovan S.p.A. for each cycle. With reference to the first cycle, the rights were granted to managers of Piovan S.p.A., but also of its subsidiaries, and the number of rights at maturity was estimated at approximately 114,337. The total value of the first cycle is Euro 1,081 thousand, whereas the amounts vested at September 30, 2023 totaled Euro 270 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 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] Equity attributable to non-controlling interests

The minority interest shareholders' equity at September 30, 2023 amounted to Euro 2,420 thousand compared to Euro 1,819 thousand at December 31, 2022. The account includes the share of the non-controlling 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 1,279 thousand;
- the non-controlling interest share of the losses of the subsidiaries FDM GmbH and FEA, in the amount of Euro 678 thousand.

[17] Basic and diluted earnings per share

At September 30, 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 and the 2023 - 2025 Long Term Incentive 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	30.09.2023	30.09.2022 (*)
Net Profit Attributable to Owners of the Parent (in thousands of Euros)	33,155	28,373
Weighted average number of ordinary shares (in thousands of units)	50,700	50,953
Basic earnings per share (in Euros)	**0.65**	**0.56**

The diluted earnings per share is as follows:

Earnings per share	30.09.2023	30.09.2022 (*)
Net Profit Attributable to Owners of the Parent (in thousands of Euros)	33,155	28,373
Weighted average number of ordinary shares (in thousands of units)	51,130	51,244
Dilutive earnings per share (in Euros)	**0.65**	**0.55**

(*) For the purposes of comparison, the figure for H1 2022 has been restated compared to the interim report at September 30, 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	30.09.2023	31.12.2022
Short-term bank borrowings	646	7,001
Current portion of long-term loans	37,857	32,692
Other loans and borrowings	24,271	3,503
Current financial liabilities	**62,774**	**43,196**

Non-current financial liabilities	30.09.2023	31.12.2022
Medium to long-term bank loans	89,810	107,311
Other loans and borrowings	14,900	35,459
Non-current financial liabilities	**104,710**	**142,770**

"Other current financial liabilities" increased significantly, with a simultaneous decrease in "Other non-current financial liabilities" following the reclassification of the earn-out payable, which is expected to be paid to the selling shareholders of IPEG Inc. by June 30, 2024, as per the contractual agreements.

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 June 30, 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	30.09.2023			31.12.2022		
					Residual debt	Current	Non-current	Residual debt	Current	Non-current
EUR	7,000	03/05/2024	Fixed	0.54%	1,324	1,324	-	2,643	1,759	883
EUR	5,000	05/02/2025	Variable	Euribor 6m+0,65%	1,500	1,000	500	2,500	1,000	1,500
EUR	7,000	07/04/2024	Variable	Euribor 6m+0,85%	1,750	1,750	-	2,625	1,750	875
EUR	2,000	24/06/2023	Fixed	0.35%	-	-	-	335	335	-
EUR	20,000	14/10/2025	Fisso	0.67%	10,000	4,000	6,000	12,000	4,000	8,000
EUR	4,125	23/12/2028	Variable	Euribor 6m+0,6%	3,241	589	2,652	3,536	589	2,946
EUR	5,000	05/05/2023	Fixed	0.01%	-	-	-	1,667	1,667	-
EUR	10,000	22/11/2024	Fixed	0.25%	4,176	3,340	836	6,675	3,333	3,342
EUR	100,000	21/01/2028	Fixed	1.34%	90,000	20,000	70,000	100,000	15,000	85,000
EUR	10,000	20/06/2025	Variable	1.05%	5,945	3,354	2,591	8,370	3,258	5,112
EUR	10,000	15/05/2027	Variable	4.41%	10,000	2,500	7,500	-	-	-
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					**127,936**	**37,857**	**90,079**	**140,350**	**32,692**	**107,658**
EUR	595	30/06/2031	Fixed	0.18%	595	74	521	595	37	558
Other					**595**	**74**	**521**	**595**	**37**	**558**
Total					**128,531**	**37,931**	**90,600**	**140,945**	**32,729**	**108,216**

Loans are recognized at amortised cost and include arrangement expenses of Euro 269 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 fincial liabilities				Non current fincial liabilities		
	Short-term bank borrowings	Current portion of long-term loans	Other loans and borrowings	Total current financial liabilities	Medium to long-term 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**
Change in consolidation area	-	-	-	**-**	-	-	**-**
Disbursements/(Refunds)	(6,355)	(12,414)	(2,627)	**(21,396)**	78	-	**78**
Change in translation reserve	-	-	3	**3**	-	359	**359**
Increase/(decrease) for lease	-	-	2,809	**2,809**	-	(335)	**(335)**
Reclassifications from non current to current	-	17,579	20,583	**38,162**	(17,579)	(20,583)	**(38,162)**
30.09.2023	646	37,857	24,271	**62,774**	89,810	14,900	**104,709**

[19] Employee benefits plans

They amounted to Euro 5,341 thousand at September 30, 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

Provisions for risks and charges	31.12.2022	Accruals	Releases	Changege in translation reserve	Reclass.	30.09.2023
Provision for legal and tax risks	686	54	(41)	4	206	909
Provision for product warranties	2,615	486	(36)	29	-	3,094
Provision for agents' termination benefits	176	15	7	-	-	198
Pension provision	50	2	-	-	-	52
Provision for investments' losses	-	-	-	-	-	-
Other provisions for risks	1,429	950	(1,204)	(14)	-	1,161
Provisions for risks and charges	**4,956**	**1,507**	**(1,274)**	**19**	**206**	**5,414**

The provision for risks and charges at September 30, 2023 reported a net increase of approximately Euro 458 thousand.

The Provision for legal and tax risks at September 30, 2023, mainly includes:

- 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 set aside by the US subsidiary for a total amount at September 30, 2023 of USD 472 thousand (Euro 445 thousand) against a potential liability linked to indirect taxation in various states.

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.

The item other risk provisions includes:

- an estimate of the charges necessary for the relocation of Piovan Plastic Machinery to the new plant;

- 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 main uses in the period of the Other risks provisions concerned the costs incurred by a number of Group companies to fulfill commercial contracts in place.

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

The liability totaled Euro 481 thousand at September 30, 2023, unchanged on December 31, 2022.

The items in question refer to liabilities for put options granted to the non-controlling interests of FEA. In particular, the liability recognized concerns a 32% holding of non-controlling interests. The contract stipulates that the non-controlling interests 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 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 September 30, 2023, these amounted to Euro 2,619 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.

	30.09.2023	31.12.2022
Payables to employees	1,772	2,630
Tax payables	837	664
Other payables	10	(0)
Other non-current liabilities	**2,619**	**3,295**

[23] Trade payables

They amounted to Euro 64,101 thousand at September 30, 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] Advance from customers

At September 30, 2023, Advances from customers amounted to Euro 42,397 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 liabilities and social security contributions

They amounted to Euro 9,897 thousand at September 30, 2023, compared to Euro 11,285 thousand at December 31, 2022. The account is broken down as follows:

	30.09.2023	31.12.2022
Social security contributions	3,127	3,935
VAT liabilities	1,900	3,104
Tax withholdings for employees	896	1,638
Income tax liabilities (IRES and IRAP)	3,689	2,525
Other	285	84
Tax liabilities and social security contributions	**9,897**	**11,285**

[26] Other current liabilities

They amounted to Euro 28,278 thousand at September 30, 2023, compared to Euro 23,092 thousand at December 31, 2022. The account is broken down as follows:

	30.09.2023	31.12.2022
Payables to employees	18,585	12,383
Payables to parent company	1,722	0
Accrued income and deferred expense	4,653	3,922
Other payables	3,318	6,788
Other current liabilities	**28,278**	**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 Piovan 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.

Explanatory Notes to the Consolidated Statement of Profit and Loss

With regards to all statement of profit and loss items, the first nine months of 2022, whose figures are presented for comparative purposes, only include operations for 8 months of the IPEG Group (acquired at the end of January 2022). Therefore, this affects the comparison with the figures for the first nine months of 2023.

[27] Revenues

Revenue amounted to Euro 420,170 thousand for the first nine months of 2023, compared to Euro 373,079 thousand for the first nine months of 2022, an increase of 12.6%. Revenues are shown net of discounts and rebates. The first nine months of 2022 include only 8 months for the IPEG Group.

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 nine months 2023	%	First nine months 2022 (*)	%	Change	Change %
Technical Polymers	322,146	76.7%	283,048	75.9%	39,097	13.8%
Food & Industrial Applications	32,394	7.7%	35,918	9.6%	(3,524)	(9.8%)
Services	65,630	15.6%	54,112	14.5%	11,518	21.3%
Revenue	**420,170**	**100.0%**	**373,079**	**100.0%**	**47,091**	**12.6%**

(*)9M 2022 includes the IPEG group for just 8 months.

Part of the revenue of the Technical Polymers Systems and the Food and Industrial Applications 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. This revenue category totaled Euro 23,749 thousand for the first nine months of 2023 (Euro 24.6 million in the first nine months of 2022). 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 nine months 2023	%	First nine months 2022	%	Change	Change %
EMEA	136,483	32.5%	131,004	35.1%	5,479	4.2%
ASIA	41,480	9.9%	32,847	8.8%	8,633	26.3%
NORTH AMERICA	226,682	54.0%	195,322	52.4%	31,360	16.1%
SOUTH AMERICA	15,525	3.7%	13,906	3.7%	1,619	11.6%
Revenue	**420,170**	**100.0%**	**373,079**	**100.0%**	**47,091**	**12.6%**

(*)9M 2022 includes the IPEG group for just 8 months.

Revenues in EMEA include revenues in Italy which amounted to Euro 37,100 thousand in the first nine months of 2023 and Euro 40,756 thousand in the first nine months of the 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 7,171 thousand, decreasing Euro 1,450 thousand compared to the first nine months of 2022 and which breaks down as follows:

€/000	First nine months 2023	First nine months 2022
Accessory transport services for sales	4,729	5,934
Machinery leases	50	119
Grants	432	685
Contingency	515	527
Gains for disposal of tangible and intangible assets	37	150
Insurance compensation	5	10
Agency commissions	174	6
Increase in fixed assets for internal works	-	167
Other	1,229	1,024
Other revenues and income	**7,171**	**8,621**

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] Costs of raw materials, components and goods and changes in inventories

This item amounted to Euro 191,624 thousand in the first nine months of 2023, compared to Euro 171,701 thousand in the first nine months of the previous year. This item is broken down as follows:

	First nine months 2023	First nine months 2022
Costs of raw materials, components and goods	182,514	170,225
Costs of consumables	6,985	6,330
Change in raw materials and goods	(1,738)	2,401
Change in finished goods and semi-finished products	3,863	(7,255)
Costs of raw materials, components and goods and changes in inventories	**191,624**	**171,701**

The item increased on the first nine months of the previous year by approximately 11.6%. As a percentage of Total revenue and income, the item decreased from 45% for the first nine months of 2022 to 44.8% in the first nine months of 2023. The first nine months of 2022 include only 8 months for the IPEG Group.

[30] Services

Service costs amounted to Euro 79,360 thousand in the first nine months of 2023, compared with Euro 76,992 thousand in 2022.

€/000	First nine months 2023	First nine months 2022
Outsourcing	25,584	26,619
Transport	11,584	13,394
Business trips and travel	5,094	4,213
Agency commissions	12,796	10,395
Fees to directors, statutory auditors and independent auditors	1,900	1,820
Consultancies	4,160	4,441
Maintenance and repairs	3,550	3,095
Marketing and advertising	3,171	2,576
Utilities	1,933	2,048
Insurance	1,922	882
Telephone and connections	760	671
Other costs for services	3,986	4,685
Rental expenses	1,625	933
Leases	169	288
Hires	1,126	933
Services	**79,360**	**76,992**
of which non-recurring	272	603
Costs for services excluding non-recurring services	**79,088**	**76,389**

The item increased on the first nine months of the previous year by approximately 3.5%. The first nine months of 2022 include only 8 months for the IPEG Group. As a percentage of Total revenue and income, the item decreased from 20.0% for the first nine months of 2022 to 18.5% in the first nine months of 2023.

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

- outsourcing costs amounting to Euro 25,584 thousand in the first nine months of 2023 (32.2% of total service costs) determined by the production methods of the Group, which concentrates internally processing and high value added and core activities. In the first nine months of 2022, this item amounted to Euro 26,619 thousand (34.6% of total Service Costs). Outsourcing as a percentage of revenue slightly improved on the first nine months of 2022 (6% against 7%), due also to the different product mix.
- transport costs on purchases and sales, which totaled Euro 11,584 thousand in the first nine months of 2023, equal to 14.6% of service costs, compared to 17.4% for the first nine months of 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 12,796 thousand in the first nine months of 2023, equal to 16.1% of service costs, compared to 13.5% for the first nine months of 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 expenses

Personnel expense amounted to Euro 97,948 thousand compared with Euro 86,503 thousand in the first nine months of 2022. A breakdown of personnel expenses is provided below:

€/000	First nine months 2023	First nine months 2022
Wages and salaries	76,225	68,209
Social security contributions	18,520	12,857
Costs for defined benefit plans	1,386	1,440
Other expenses	1,817	3,997
Personnel expenses	**97,948**	**86,503**
of which non-recurring	-	102

The item increased approximately 13.2% on the first nine months of 2022. The first nine months of 2022 include only 8 months for the IPEG Group. This accounted for 22.7% of Total revenue and income in the first nine months of 2022 and 22.9% in the first nine months of 2023, recording a small improvement.

[32] Other expenses

This item amounted to Euro 2,985 thousand, compared with Euro 2,718 thousand in the previous year. This item is broken down as follows:

€/000	First nine months 2023	First nine months 2022
Other taxes and duties	971	1,612
Bad debt provision	490	(535)
Entertainment costs	254	212
Provision for legal and tax risks	(92)	558
Provision for product warranty	95	281
Provision for additional client expenses	15	18
Other	1,252	572
Other expenses	**2,985**	**2,718**

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.

[33] Amortisation and depreciation

This item amounted to Euro 10,148 thousand compared with Euro 8,127 thousand in the previous year. This item is broken down as follows:

€/000	First nine months 2023	First nine months 2022
Amortisation	3,946	6,163
Depreciation	3,254	2,771
Right of use depreciation	2,948	3,054
Impairment loss on intangible assets	-	482
Depreciation & amortisation	**10,148**	**12,471**

[34] Financial income and expenses

Net financial expenses of Euro 1,260 thousand are reported for the first nine months of 2023 (net expenses of Euro 2,045 thousand for the first nine months of 2022). This item is broken down as follows:

€/000	First nine months 2023	First nine months 2022
Interest income	863	147
Income on financial assets	320	111
Other financial income	100	260
Financial income	**1,283**	**518**
Bank interest expenses	1,769	1,202
Other interest expenses	267	324
Other financial expenses	507	1,038
Financial expense	**2,543**	**2,563**
Net financial income (charges)	**(1,260)**	**(2,045)**

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

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

[35] Net exchange rate gain (losses)

The item reports net losses of Euro 57 thousand for the first nine months of 2023, compared to net gains of Euro 5,452 thousand for the first nine months of 2022. This item is broken down as follows:

	First nine months 2023	First nine months 2022
Exchange rate gains	3,614	9,458
Exchange rate losses	(3,672)	(4,006)
Net exchange rate gain (losses)	**(57)**	**5,452**

Unrealized foreign exchange gains included under *Foreign exchange gains* amounted to Euro 2,095 thousand in first nine months 2023 (58.0% of foreign exchange gains for the period) and Euro 7,957 thousand in the first nine months of 2022 (84.1% of foreign exchange gains for the period).

Unrealized losses included under *Foreign exchange losses* amounted to Euro 2,080 thousand in the first nine months of 2023 (56.7% of foreign exchange losses for the period) and Euro 2,634 thousand in the first nine months of 2022 (65.8% of foreign exchange losses for the period).

The movement compared to the first nine months of 2022 is mainly due to the IPEG Group and Piovan do Brasil, in addition to US Dollar and Brazilian Real movements 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

A net profit of Euro 1,224 thousand is reported for the first nine months of 2023 (Euro 1,001 thousand in the first nine months of 2022), and related to investments measured using the equity method. Reference should be made to note [4] for further information.

[38] Profit (losses) from disposals

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 14,043 thousand in the first nine months of 2023 compared to Euro 7,087 thousand in the first nine months of 2022. Income taxes have been determined taking into account the best estimate of the average annual tax rate expected for the whole year.

	First nine months 2023	First nine months 2022 (*)
Current tax liabilities	14,172	11,356
Deferred/advance taxes	(373)	(2,195)
Previous years taxes	243	(2,0734)
Income taxes	**14,043**	**7,087**

(*) In this regard it should also be noted that, for the purposes of comparison, the statement of profit and loss figures for 9M 2022 have been restated compared to the interim report at September 30, 2022, following the definitive purchase price allocation for the IPEG group.

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.

In the first nine months of 2023 and the first nine months of 2022, the following non-recurring expenses and income were identified.

Non recurring items (€/000)	First nine months 2023	First nine months 2022
Non-recurring expenses relate to acquisition and integration of IPEG group	(229)	(603)
Personnel expenses	-	(102)
Non-recurring expenses related to new plant in China	(43)	
Impairment loss on Toba's goodwill	-	(482)
Gain from sale of Toba	1,337	
Total income/(expenses)	1,065	(1,095)

Incentive Plans

On May 12, 2020, the Shareholders' Meeting of the Parent Company approved three medium/long-term incentive plans, which aim to retain and incentivize those beneficiaries who are key players in achieving the Group's objectives. This will align the remuneration of these beneficiaries with increases in value and return on shareholder investment.

The first plan, called the "2020-2022 Performance Shares Plan", stipulates that the beneficiaries are identified from among the Executive Directors, excluding the Executive Chairperson, and the Senior Executives at the Piovan Group companies, providing for the free allocation of Piovan S.p.A. shares already held by the Company. The first cycle of this first plan came to a close in 2022, and in January 2023, 93,255 shares, representing all of the shares planned, were assigned to plan participants.

The second, called the "2020-2022 Long-Term Monetary Incentive Plan", establishes that the beneficiaries are identified from among the Executives and employees or collaborators at the Piovan Group's companies, providing for monetary incentives. The plans commenced from their approval by the Shareholders' AGM and conclude on December 31, 2022, comprising three rolling cycles (vesting periods), each of three years, with the last period concluding in 2024. The vesting periods concern periods on the conclusion of which the shares of the company, or a monetary incentive, shall be granted or issued to beneficiaries, on verification of the achievement for each cycle of the performance objectives linked to the Group's sales volumes and consolidated EBITDA by the Board of Directors and within the limits and according to the means indicated in the respective regulations and disclosure documents. The first cycle of this second plan came to a close in 2022, and the amounts due will be paid in 2023.

The third plan, called the “2020-2022 Phantom Stock Option Plan”, is for the Executive Directors and Senior Executives at Piovan Group’s companies. This is a long-term plan divided into three cycles (also known as “Vesting Periods”), each lasting three years. The Vesting Periods are the periods at the end of which it is possible to request payment of the incentive. The duration of the Phantom Stock Option Plan, therefore, is from the date of the plan’s approval by the Ordinary Shareholders' Meeting until the date the incentive is paid. This will be in 2025, while the last Vesting Period will end on December 31, 2024. The first cycle of this third plan came to a close in 2022, and the amounts due will be paid in 2023.

Finally, on April 24, 2023, the Shareholders’ AGM approved the new stock grant plan for ordinary company shares, called the “2023-2025 Long Term Incentive Plan”. This new plan is divided into three cycles (the first covering the 2023- 2025 vesting period, the second covering the 2024-2026 vesting period, and the third covering the 2025-2027 vesting period). Beneficiaries of the plan are individually identified by the Board of Directors, upon the proposal of the Chairperson of the Board of Directors, and having heard the opinion of the Nomination and Remuneration Committee, as the Executive Directors (excluding the Executive Chairperson) and the Senior Executives (as formally identified), with additional beneficiaries identified 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, as follows:

- by December 31, 2023 for the First Cycle;
- by December 31, 2024 for the Second Cycle;
- by December 31, 2025 for the Third Cycle;

The allocation of the Initial Rights will take place free of charge, with the relevant Beneficiaries not required to pay any consideration to the Company for such allocation.

Initial rights will be allocated based on performance rights (90%), linked to the achievement of certain Group targets, and retention rights (10%), linked to continued employment. Performance Rights may accrue in a range from 0 to approximately 120% of the Initial Rights. The Performance Goals for each Cycle are set by the Board of Directors, after consultation with the Nomination and Remuneration Committee, in accordance with the provisions of the Plan, and communicated to each Beneficiary, for the First Cycle, indicatively by June 30, 2023, and for each subsequent Plan Cycle indicatively by March 31 of the first year of that Plan Cycle. Performance targets are based on both "market conditions" and "non-market conditions”. Furthermore, it is underlined that the Plan's goals include objectives related to ESG topics.

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.

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.

Commitments and risks

Reference should be made to the Half-Year Financial Report at June 30, 2023.

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 30/09/2023	% 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 Muhendslik 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
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
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 Nord 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 (Shangai) Co Ltd	Shangai (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%	0	Full
Piovan Industrial Automation (Suzhou) Co., Ltd.	Suzhou (Cina)	Cina	CNY	40,000,000	100.00%	Piovan S.p.A.	Full
PT Piovan Technology Indonesia	Giacarta (Indonesia)	Indonesia	ID	1,000,100,000	99.00% 1.00%	Piovan S.p.A. Aquatech S.r.l.	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
Penta Auto Feeding India Ltd	Navi Mumbai (India)	India	INR	10,000,000	50.00%	Penta S.r.l.	Equity method

Subsequent events after September 30, 2023

In the period subsequent to September 30, 2023, no significant events occurred affecting the interpretation and/or assessment of the first nine months results.

Santa Maria di Sala (Venice), November 8, 2023

For the Board of Directors

Executive Chairman

Nicola Piovan

STATEMENT OF THE EXECUTIVE OFFICER FOR FINANCIAL REPORTING ON THE PERIODIC FINANCIAL STATEMENTS AT SEPTEMBER 30, 2023

Statement of the Executive Officer for Financial Reporting in accordance with paragraph 2 of Article 154-*bis* of Legislative Decree No. 58/1998 (Consolidated Finance Act)

Santa Maria di Sala, November 8, 2023

The undersigned Giovanni Rigodanza, as Executive Officer for Financial Reporting, states that the Periodic Financial Statements at September 30, 2023 correspond to the underlying accounting documents, records and entries. The Executive Officer for Financial Reporting.

The Executive Officer for Financial Reporting

Giovanni Rigodanza

Periodic Financial Statements at September 30, 2023 of Piovan S.p.A.

PIOVAN S.p.A.

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S. Maria di Sala VE - Italy