



PERIODIC
FINANCIAL
STATEMENTS

at March 31, 2021

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Company information of the parent company Piovan S.p.A.

Registered Office: Via delle Industrie 16 – 30036 S. Maria di Sala (Venice) Italy

Telephone: +39 041 5799111

Certified e-mail: piovanspa@legalmail.it

E-mail: info@piovan.com

Website: www.piovangroup.com

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

Tax No.: 02307730289 VAT No.: 02700490275

Venice Economic & Administrative Registration No. 235320

Corporate Bodies

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 until April 29, 2021, date of the Shareholders' AGM called to approve the 2020 Annual Accounts.

Name	In charge
Nicola Piovan	Executive Chairman
Filippo Zuppichin	Chief Executive Officer
Marco Stevanato	Director
Mario Cesari (*)	Independent Director
Lucia Giancaspro (*)	Independent Director
Marco Maria Fumagalli (*) (**)	Independent Director
Chiara Mio (*)	Independent Director

(*) Independent Director pursuant to Article 147-ter, paragraph 4, of the CFA and Article 3 of the Self-Governance Code.

(**) Director appointed Lead Independent Director pursuant to Article 2.C.4 of the Self-Governance Code.

In office since April 29, 2021 and until the Shareholders' AGM called to approve the 2023 Annual Accounts.

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

(*) Independent Director pursuant to Article 147-ter of the CFA, paragraph 4, and recommendation No. 7 of the Corporate Governance Code.

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

Board of Statutory Auditors

In office until April 29, 2021, date of the Shareholders' AGM called to approve the 2020 Annual Accounts.

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

In office since April 29, 2021 and until the Shareholders' AGM called to approve the 2023 Annual Accounts.

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

Control, Risks and Sustainability Committee (in office until April 29, 2021)

Name	
Chiara Mio	Chairperson
Mario Cesari	
Marco Maria Fumagalli	

Control, Risks and Sustainability Committee (in office since April 29, 2021 and until the date of the Shareholders' AGM called to approve the 2023 Annual Accounts)

Name	
Antonella Lillo	Chairperson
Mario Cesari	
Marco Maria Fumagalli	

Nomination and Remuneration Committee (in office until April 29, 2021)

Name	
Lucia Giancaspro	Chairperson
Marco Maria Fumagalli	
Chiara Mio	

Nomination and Remuneration Committee (in office since April 29, 2021 and until the date of the Shareholders' AGM called to approve the 2023 Annual Accounts)

Name	
Manuela Grattoni	Chairperson
Marco Maria Fumagalli	
Antonella Lillo	

Related Parties Committee (in office until April 29, 2021)

Name	
Marco Maria Fumagalli	Chairperson
Mario Cesari	
Lucia Giancaspro	

Related Parties Committee (in office since April 29, 2021 and until the date of the Shareholders' AGM called to approve the 2023 Annual Accounts)

Name	
Marco Maria Fumagalli	Chairperson
Mario Cesari	
Manuela Grattoni	

Significant shareholdings

Based on the shareholders' register, on 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% as of the latest update 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.	57.915	62.466	60.952	64.841
7INDUSTRIES HOLDING BV	7INDUSTRIES HOLDING BV	9.282	13.412	9.769	13.922
Allianz SE	ALLIANZ IARD SA	7.799	5.735	8.207	5.953

(*) Total No. ordinary shares: 53,600,000, including Piovan S.p.A. treasury shares equal to 2,670,700

(**) Share capital expressed as number of votes pursuant to 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: 50,929,300, excluding the Piovan S.p.A. treasury shares

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

Executive officer for financial reporting

Elisabetta Floccari, in office until the Shareholders' AGM called to approve the 2023 Annual Accounts.

Independent Audit Firm

Deloitte & Touche S.p.A., in office until the Shareholders' AGM called to approve the 2026 Annual Accounts.

Presentation and Group structure

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, followed by the Convair dryer and the Convector feeder for injection molding machines. The Group increasingly specialized in the design and production of automation systems for the storage, transport and treatment of plastics, and in 1969 moved its main production plant to Santa Maria di Sala (Venice).

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

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

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

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

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

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

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

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

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

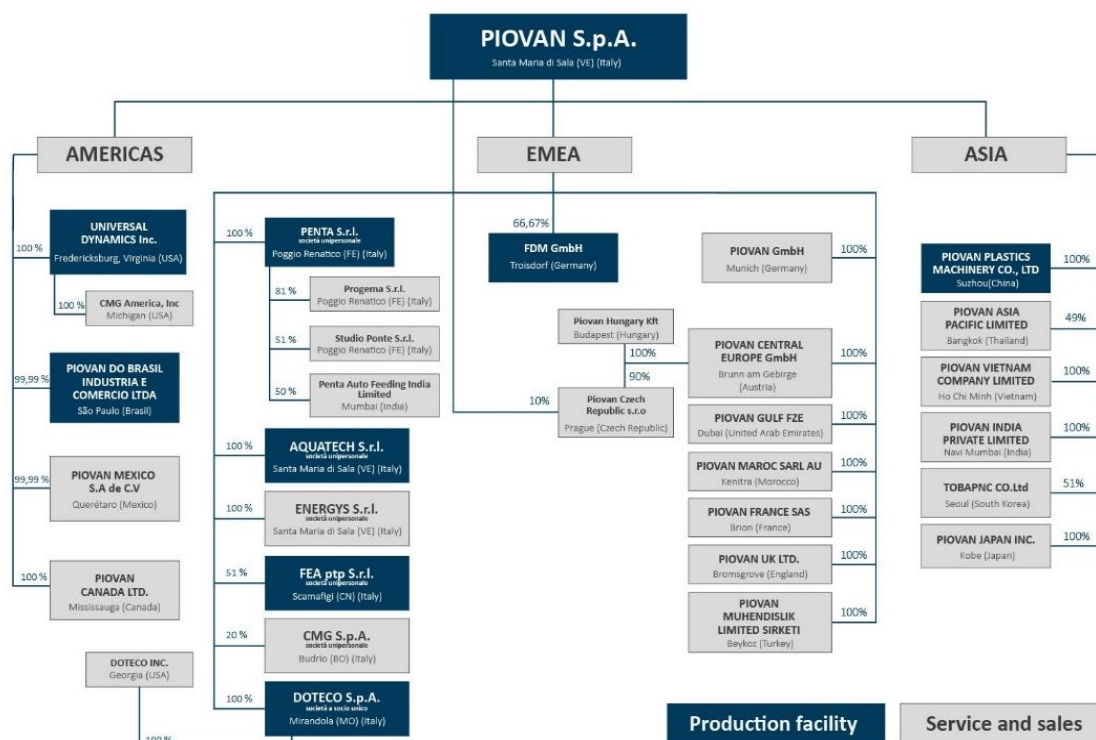
Today the Group comprises a network of direct or indirect subsidiaries of Piovan S.p.A., with sites in Europe, the United States and Asia, following both organic and acquisition-led growth. Finally, in October 2020, Doteco S.p.A., an Italian company among the global leaders in technology for the dosing of plastic film and synthetic fibers, along with its U.S. subsidiary Doteco, Inc., joined the Piovan Group.

The strategic, managerial and operational direction of the Group, which as of March 31, 2021, comprises 31 service and commercial companies, including 9 production plants on 4 continents, is entrusted directly to Piovan S.p.A.

The global spread of Piovan Group companies creates a major competitive advantage, providing customers across its various markets with a uniform level of service quality, in addition to an extremely broad and constantly developing range of products. This range is a core feature of the Group's commercial offering, both for the processes of automated storage, transport and processing of plastics to every final sector, and for the transport and processing of food powders and creams, which has recently become an area of development within the Group's range, thanks to the subsidiaries Penta S.r.l. and FEA Process & Technological Plants S.r.l.

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

Group structure at March 31, 2021



Group Operating Performance

Economic overview

Within an environment of ongoing uncertainty, in April 2021 the International Monetary Fund (IMF) indicated that the outlook has improved on the October 2020 update to the “World Economic Outlook”. Global economic estimates for the current year, following an estimated contraction of - 3.3% in 2020, indicate growth of 6% to be followed by a 4.4% expansion in 2022.

The improved forecast reflects better than expected results for the second half of 2020, alongside further fiscal supports in a number of major economies and the benefits from the vaccine campaign. Global growth is expected to settle at about 3.3% over the medium-term.

In this environment of continued uncertainty regarding the timing and extent of the economic recovery, Piovan Group continued to operate through an organizational structure based on the presence of 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 has both limited the effects of the restrictions on mobility and minimized the risk related to local markets, facilitating the tapping into a broader range of opportunities.

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 occurred during the quarter

No significant events are reported for the first quarter of 2021.

Significant events occurred after March 31, 2020

On April 29, 2021, the Shareholders' AGM, in addition to approving the 2020 Annual Accounts and the distribution of dividends totalling Euro 6,620,809, renewed the corporate boards on the conclusion of office. The new Board of Directors and Board of Statutory Auditors, whose composition is presented in the introductory paragraph to this report, shall remain in office until the approval of the 2023 Annual Accounts.

Outlook

Continuing along the strategic path undertaken, the Group is focused on increasing its contribution to the circular economy by developing products and solutions for the recycling value chain, increasing acquisitions, and working to achieve greater market share in the *Food & Non-plastic* market.

Growth in acquisitions is driven by a desire to grow in specific geographical areas in which to improve commercial penetration and continue to develop a strategy that is as comprehensive and customer-centric as possible, with a particular focus on major customers distributed across the globe, thus ensuring the maintenance of its technology and service leadership. The Group is also looking to companies with products/technologies that can lengthen the value chain offered by the Group. The acquisition of Doteco S.p.A. in 2020 moves in this direction, since the Group will be able to combine Doteco's film dosing technologies with Piovan's feeding and storage automations to become a leader in turnkey systems in this segment.

The order backlog at March 31, 2021 was in line with Group expectations. The continuing strength of the most resilient markets (e.g. medical, flexible packaging) and the recovery underway in the most cyclical industries (e.g. automotive, construction) have enabled the Group to look to 2021 with optimism. The risk of restricted mobility and the continuing landscape of uncertainty leave open the possibility of slowdowns in new orders or in the execution of projects in backlog, particularly with reference to plant installations and start-up.

Piovan Group has a presence in many geographical areas and in a diverse range of industries, which will certainly mitigate the overall risk tied to the current crisis.

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

For the 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.

Furthermore, in recent years the Group has developed patents related to recycling and gained a technological advantage over its competitors. The Company currently estimates that more than 20% of the automations sold in the packaging, fiber and recycling segments are being used in order to make use of recycled material.

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 aimed at allowing customers to use recycled polymers and obtaining a quality product with low environmental impact, thus cutting CO2 emissions and the consumption of scarce resources.

The Group strategy relies on three pillars:

- Developing specific technologies for the recycled material supply chain;
- Raising customer awareness about the existence of good plastics originating from recycled materials or plant-based raw materials;
- Support, to guarantee quality and efficiency across all system life stages.

Since 2006, the Group has built more than 300 plastic recycling plant and thousands of systems that make it possible to create new products out of recycled plastic.

In 2020, Piovan Group has already provided circular economy automation to more than 20% of the customers operating in the packaging, textile and recycling sectors. This enables the technologies provided by the Company to be a driver towards the objectives of the European Union to reach 25% use of recycled materials in the packaging industry.

The Group's investments throughout 2017-2019 to expand production capacity have made it possible to respond to any significant increases in market demand and to make use of the significant generation of cash to promote growth and acquisitions and to remunerate shareholders.

Alternative performance indicators

In this Directors' Report, various alternative performance indicators or intermediary earnings indicators are presented in order to permit a better assessment of operating performance and financial position. These indicators, however, are not identified as an accounting measure within IFRS and therefore the criterion for their determination may not be uniform with other groups or companies. Reference should be made to the "Annual Financial Report at December 31, 2020" which outlines the criteria used to construct these indicators.

Group operating performance

(amounts in €'000)	Economic performance indicators				Changes	
	First quarter 2021	% on total revenues and other income	First quarter 2020	% on total revenues and other income	2021 vs 2020	%
Revenue	64,081	98.9%	51,282	98.0%	12,799	25.0%
Other revenue and income	732	1.1%	1,045	2.0%	(313)	(29.9%)
TOTAL REVENUE AND OTHER INCOME	64,814	100.0%	52,327	100.0%	12,487	23.9%
EBITDA	9,090	14.0%	6,057	11.6%	3,033	50.1%
OPERATING PROFIT	7,233	11.2%	4,820	9.2%	2,413	50.1%
PROFIT BEFORE TAXES	7,635	11.8%	4,252	8.1%	3,384	79.6%
Income taxes	2,121	3.3%	1,607	3.1%	514	31.9%
NET PROFIT	5,515	8.5%	2,644	5.1%	2,870	108.6%
Attributable to:						
Owners of the parent	5,549	8.6%	2,743	5.2%		
Non-controlling interests	(35)	(0.1%)	(98)	(0.2%)		
Basic earnings per share	0.11		0.05			
Diluted earnings per share	0.11		0.05			

EBITDA in the first quarter of 2020 (indicated in the Periodic Financial Statements at March 31, 2020 at Euro 6,082 thousand) was restated net of "Provisions" for comparability with the 2021 figure, following a change to the indicators definition.

In the first three months of 2021, Piovan Group total revenue and other income amounted to Euro 64,814 thousand, up on Euro 52,327 thousand in the first three months of 2020 (+23.9%). Excluding revenue recognized by Doteco Group, consolidated from October 2020, total revenues and other income in the first three months of 2021 amounted to Euro 60,179 thousand, up 15.01% on the same period of 2020.

Piovan Group core revenue alone amounted to Euro 64,081 thousand, increasing on Euro 51,282 thousand in the first three months of 2020 (+25.0%).

Revenue calculated on a like-for-like basis (i.e. at the average exchange rate for the first quarter of 2020) would increase by Euro 1,837 thousand with revenue equal to Euro 65,918 thousand, confirming growth of 28.5% compared to the first three months of 2020. Revenue was in fact mainly impacted by a negative effect from US Dollar and Brazilian Real movements.

EBITDA improved both in absolute value and in terms of margin on revenue, totalling Euro 9,090 thousand, with an increase of 50.1% compared to Euro 6,057 thousand in the same period of 2020. The margin on total revenue went from 11.6% in 2020 to 14% in 2021.

Excluding the figures realized by Doteco Group for the purposes of comparison, EBITDA comes to Euro 8,524 thousand, with an increase of 40.73%.

EBIT totalled Euro 7,233 thousand, up from Euro 4,820 thousand in the same period of the previous year (+50.1%), with the increase substantially concerning operating leverage.

The EBIT margin on total revenues and other income came to 11.2%, compared to 9.2% for the same period of the previous year.

The net profit was Euro 5,515 thousand, increasing on Euro 2,644 thousand for the same period of the previous year. The margin on total revenue and other income was 8.5%.

Earnings per share was Euro 0.11 for the first quarter of 2021, compared to Euro 0.05 in the same period of the previous year.

Revenue by market and region

The breakdown of revenue by market is as follows:

	First quarter 2021	First quarter 2020	Change	% Change
Plastic	45,832	42,418	3,414	8.0%
Food & non plastic	9,970	2,144	7,826	365.0%
Services	8,279	6,720	1,559	23.2%
Revenue	64,081	51,282	12,799	25.0%

Revenue by market in the first three months of 2021 indicates:

- *Plastic* revenue grew 8% on the same period of the previous year, despite the reduced contribution of Penta S.r.l., which focused mainly on the Food segment in the quarter; the contribution from the acquisition of Doteco was Euro 3,911 thousand;
- *Food & non-plastic* revenue was significantly up on the same period of the previous year (+365%), thanks to the completion in the quarter of a number of major orders begun in 2020;
- *Services* market reported revenue growth of 23.2% on the same period of the previous year. Revenue margin slightly decreased on the previous period due to Food segment growth, which has a lower spare parts margin.

The breakdown of revenue by region is as follows:

	First quarter 2021	First quarter 2020	Change	% Change
EMEA	45,078	28,883	16,195	56.1%
ASIA	5,590	7,197	(1,607)	-22.3%
NORTH AMERICA	9,698	12,637	(2,939)	-23.3%
SOUTH AMERICA	3,715	2,565	1,150	44.9%
Revenue	64,081	51,282	12,799	25.0%

EMEA revenue was up 56.1% (70.3% of total revenue), mainly owing to the Food segment and the acquisition of Doteco.

South America saw excellent growth at over 70% on the same period of the previous year, calculated at like-for-like exchange rates, and mainly related to the strong Food segment improvement.

Asian markets declined 22.3% on the same period of the previous year as a result of the temporary slowdown in South East Asia for the conclusion of a number of major orders.

The North American market declined 23.3% compared to the first three months of 2020, mainly due to the postponement to the second quarter of a number of orders in the United States and to the still weak Mexican market.

Equity and Financial profile of the Group

The financial structure of the Piovan Group as at March 31, 2021, is summarized below.

Group net financial position

€/000	31.03.2021	31.12.2020	31.03.2020
A. Cash	22	21	18
B. Current accounts and post office deposits	87,878	87,431	49,559
C. Cash & cash equivalent (A+B)	87,900	87,452	49,577
D. Current financial assets	5,161	5,146	6,100
E. Current bank loans and borrowings	(22,000)	(21,305)	(23,013)
F. Current portion of non-current debt	(18,970)	(17,833)	(11,954)
G. Other current financial liabilities	(1,715)	(1,741)	(1,558)
H. Current financial position (E+F+G)	(42,685)	(40,879)	(36,524)
I. Net current financial position (H+C+D)	50,377	51,719	19,153
J. Long term loans	(35,740)	(38,262)	(19,601)
K. Bond issued	-	-	-
L. Other non-current financial liabilities	(9,042)	(9,117)	(6,823)
M. Non-current financial position (J+K+L)	(44,782)	(47,379)	(26,425)
N. Net financial position (I+M)	5,595	4,340	(7,272)

The Group's net financial position at March 31, 2021 was a cash position of Euro 5,595 thousand, with net cash generated of Euro 1,255 thousand on December 31, 2020. Excluding the effects of the application of the IFRS 16 accounting standard, the consolidated net financial position at March 31, 2021 would amount to Euro 15,718 thousand (compared to Euro 13,641 thousand at December 31, 2020 and Euro 665 thousand at March 31, 2020).

Capital expenditures totalling Euro 213 thousand were made in the first quarter of 2021 (Euro 587 thousand in the first quarter of 2020).

The financial position includes medium/long-term loans, mainly relating to the Parent Company and almost entirely subscribed in Euro, for Euro 54.7 million, of which Euro 19 million repayable within 12 months and the remaining Euro 35.7 million within 5 years. The loans are not supported by guarantees, except for the loan of a value of Euro 5,500 thousand, subscribed at the end of 2020 and with 48-month duration, which is supported by a guarantee issued by the "Small and Medium Enterprise Guarantee Fund" managed by Banca del Mezzogiorno – MedioCredito Centrale S.p.A.

Medium/long-term loans were settled for Euro 1,466 thousand during the quarter.

Net non-current assets

Net non-current assets represented by property, plant and equipment, intangible assets and equity investments, amounting to Euro 79,014 thousand, decreased Euro 995 thousand, due both to amortization and depreciation in the period and investments.

<i>Net non-current assets (amounts in €'000)</i>	At 31st March 2021	At 31st December 2020
Property, plant and equipment	51,581	52,324
Intangible assets	27,277	27,529
Equity investments	155	155
Net non-current assets	79,014	80,009

At December 31, 2020, in application of IFRS 16 – Lease, the Group had recognized leased assets with a net carrying value of Euro 10,328 thousand. At March 31, 2021, the net carrying value of right-of-use assets amounted to Euro 10,012 thousand. The change compared to December 31, 2020 mainly concerns the net effect of amortization and depreciation in the first three months of 2021 and the recognition of new right-of-use contracts on vehicles. There were no changes in the first quarter of 2021 in the lease terms of existing contracts.

Investments

Total investments for the period under review came to Euro 213 thousand.

Net trade capital and net working capital

Net working capital for the period ended March 31, 2021 was as follows:

<i>Net working capital (amounts in €'000)</i>	At 31st March 2021	At 31st December 2020
Trade receivables	46,407	41,931
Inventories	37,754	36,920
Contract assets for work in progress	4,714	6,477
Trade payables	(36,666)	(39,912)
Advance from customers	(21,716)	(19,421)
Contract liabilities for work in progress	(5,020)	(5,101)
Net trade capital	25,474	20,893
Tax receivables	3,218	3,263
Other current assets	5,834	3,497
Tax liabilities and social security contributions	(6,525)	(9,360)
Other current liabilities	(21,416)	(18,243)
Net working capital	6,586	50

Net Working Capital increased by Euro 6,536 thousand on December 31, 2020, substantially related to the increase in Net Trade Capital. This latter was influenced by higher trade receivables, related to the Group's strong revenue performance in the quarter. Also inventories and contract assets for work-in-progress rose following the increase in the average value of projects and increased Food segment orders, which feature longer execution times than the Plastic segment.

Consolidated Financial Statements at March 31, 2021

Consolidated Statement of Financial Position (thousands of Euro)

ASSETS	Notes	31.03.2021	31.12.2020
NON-CURRENT ASSETS			
Property, plant and equipment	Note 1	51,581	52,324
Intangible assets	Note 2	27,277	27,529
Equity investments	Note 3	155	155
Other non-current assets	Note 4	542	576
Deferred tax assets	Note 5	4,658	4,788
TOTAL NON-CURRENT ASSETS		84,213	85,372
CURRENT ASSETS			
Inventories	Note 6	37,754	36,920
Contract assets for work in progress	Note 7	4,714	6,477
Trade receivables	Note 8	46,407	41,931
Current financial assets	Note 9	5,161	5,146
Tax receivables	Note 10	3,218	3,263
Other current assets	Note 11	5,834	3,497
Cash and cash equivalents	Note 12	87,900	87,452
TOTAL CURRENT ASSETS		190,989	184,686
TOTAL ASSETS		275,202	270,058

LIABILITIES AND EQUITY	Notes	31.03.2021	31.12.2020
EQUITY			
Share capital	Note 13	6,000	6,000
Legal reserve	Note 13	1,200	1,200
Reserve for own shares in portfolio	Note 13	(2,250)	(2,250)
Translation reserve	Note 13	(2,833)	(3,756)
Other Reserves and retained earnings	Note 13	71,351	53,576
Net profit (loss)	Note 13	5,549	17,643
Equity attributable to the owners of the parent		79,017	72,414
Equity attributable to non-controlling interests	Note 15	2,075	2,219
TOTAL EQUITY		81,092	74,632
NON-CURRENT LIABILITIES			
Long-term loans	Note 16	35,740	38,262
Non-current financial liabilities	Note 16	9,042	9,117
Employee benefits plans	Note 17	6,580	6,376
Provision for risks and charges	Note 18	3,680	3,813
Non current liabilities for options granted to non-controlling interest	Note 19	1,865	1,865
Other non-current liabilities	Note 20	396	363
Deferred tax liabilities	Note 5	2,781	2,713
TOTAL NON-CURRENT LIABILITIES		60,084	62,509
CURRENT LIABILITIES			
Current portion of long-term loans	Note 16	18,970	17,833
Current bank loans and borrowings	Note 16	22,000	21,305
Current financial liabilities	Note 16	1,715	1,741
Trade payables	Note 21	36,666	39,912
Advance from costumers	Note 22	21,716	19,421
Contract liabilities for work in progress	Note 7	5,020	5,101
Current liabilities for options granted to non-controlling interests	Note 19	(0)	(0)
Tax liabilities and social security contributions	Note 23	6,525	9,360
Other current liabilities	Note 24	21,416	18,243
TOTAL CURRENT LIABILITIES		134,027	132,916
TOTAL LIABILITIES		194,110	195,426
TOTAL LIABILITIES AND EQUITY		275,202	270,058

Consolidated Statement of Profit and Loss
(thousands of Euro)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS	Notes	31.03.2021	31.03.2020
Revenue	Note 25	64,081	51,282
Other revenue and income	Note 26	732	1,045
TOTAL REVENUE AND OTHER INCOME		64,814	52,327
Costs of raw materials, components and goods and changes in inventories	Note 27	26,676	19,292
Services	Note 28	11,811	11,766
Use of third party assets	Note 29	351	380
Personnel expenses	Note 30	16,223	14,230
Other expenses	Note 31	773	577
Provisions for risks and charges	Note 32	(110)	25
Amortisation and depreciation	Note 33	1,857	1,237
TOTAL COSTS		57,580	47,507
OPERATING PROFIT		7,233	4,820
Financial income	Note 34	112	122
Financial Expenses	Note 34	(149)	(362)
Net exchange rate gain (losses)	Note 35	439	(270)
Gains (losses) on liabilities for option granted to non controlling interests	Note 36	-	(59)
Profit (losses) from equity investments carried at equity	Note 37	-	-
PROFIT BEFORE TAXES		7,635	4,251
Income taxes	Note 38	2,121	1,607
NET PROFIT		5,515	2,644
ATTRIBUTABLE TO:			
Owners of the parent		5,549	2,743
Non-controlling interests		(35)	(98)
Earnings per share			
Basic earnings per share (in Euros)	Note 14	0.11	0.05
Diluted earnings per share (in Euros)	Note 14	0.11	0.05

Consolidated Statement of Comprehensive Income
(thousands of Euro)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Note	31.03.2021	31.03.2020
Net profit		5,515	2,644
Items that may be subsequently reclassified to profit or loss:			
- Exchange rate differences		914	(843)
Items that may not be subsequently reclassified to profit or loss:			
- Actuarial gains (losses) on employee benefits net of the tax effect		-	(32)
- Actuarial gains on agents' termination benefits net of the tax effect		-	(3)
Total Comprehensive income		6,428	1,767
attributable to:			
- Owners of the parent		6,463	1,864
- Non-controlling interests		(35)	(98)

Consolidated Statement of Cash Flows
(thousands of Euro)

Consolidated Statement of Cash Flow	31.03.2021	31.12.2020
OPERATING ACTIVITIES		
Net profit	5,515	2,644
Adjustments for:		
Amortisation and depreciation	1,857	1,237
Inventory write-down and bad debt provision	596	432
- Net non-monetary financial (income)	(15)	220
Change in provisions for risks and charges and employee benefits liabilities	56	(117)
Net capital (gains) losses on sale of fixed assets and equity investments	(14)	(8)
Non-monetary changes related to liabilities for options granted to non-controlling interests	0	59
Investment equity valuation	-	-
Other non-monetary variations	31	(98)
Taxes	2,121	1,607
Cash flows from operating activities before changes in net working capital	10,146	5,976
(Increase)/decrease in trade receivables	(4,199)	4,023
Increase in inventories	(1,056)	(2,981)
(Increase)/decrease in other current assets	(367)	(1,824)
Increase/(decrease) in trade payables	(3,457)	(11,713)
Increase/(decrease) in advance from customers	2,401	2,098
Increase/(decrease) in other current liabilities	(917)	167
(Increase)/decrease in non-current assets	8	282
Increase/(decrease) in non-current liabilities	139	(358)
Income taxes paid	(960)	(927)
CASH FLOWS FROM OPERATING ACTIVITIES (A)	1,737	(5,257)
INVESTING ACTIVITIES		
Investments in property, plant and equipment	(134)	(526)
Investments in intangible assets	(80)	(61)
Disinvestments/(investments) in financial assets	(0)	(0)
Disinvestments in equity investments	(0)	-
Business combinations net of the acquired cash	-	-
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	(215)	(588)
FINANCING ACTIVITIES		
Issuance of bank loans	-	-
Repayment of bank loans	(1,466)	(1,346)
Change in current bank loans and borrowings	695	(2,013)
Increase/(decrease) in other financial liabilities	(272)	(440)
Purchase of minority interests in subsidiaries	-	-
Dividends paid	-	-
CASH FLOWS USED IN FINANCING ACTIVITIES (C)	(1,043)	(3,799)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	479	(9,644)
EFFECT OF EXCHANGE RATE CHANGES ON BALANCE OF CASH HELD IN FOREIGN CURRENCY	(31)	98
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (E)	87,452	59,123
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (G=D+E+F)	87,900	49,576
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	479	(9,644)
INTERESTS PAID	149	242

Consolidated Statement of Changes in Equity
(thousands of Euro)

	Share Capital	Legal reserve	Treasury shares	Translation reserve	Other reserves and retained earnings	Profit for the year att. to the owner of the parent	Equity attributable to the owners of the parent	Equity att. to non-controlling interests	TOTAL EQUITY
Balance at Jan, 1st, 2020	6,000	1,200	(2,250)	(1,211)	38,938	18,700	61,377	3,774	65,151
Allocation of prior year profit	-	-	-	-	18,700	(18,700)	-	-	-
Distribution of dividends	-	-	-	-	-	-	-	-	-
Change in translation reserve att. to non-controlling interests	-	-	-	(9)	-	-	(9)	9	-
Total comprehensive income	-	-	-	(843)	(35)	2,743	1,864	(98)	1,766
Balance at March 31st, 2020	6,000	1,200	(2,250)	(2,063)	57,603	2,743	63,232	3,685	66,917

	Share Capital	Legal reserve	Treasury shares	Translation reserve	Other reserves and retained earnings	Profit for the year att. to the owner of the parent	Equity attributable to the owners of the parent	Equity att. to non-controlling interests	TOTAL EQUITY
Balance at Jan, 1st, 2021	6,000	1,200	(2,250)	(3,756)	53,576	17,643	72,414	2,219	74,632
Distribution of dividends								(100)	(100)
Allocation of prior year profit					17,643	(17,643)			
Incentive plan					132		132		132
Change in translation reserve att. to non-controlling interests				9			9	(9)	
Total comprehensive income				914		5,549	6,462	(35)	6,428
Balance at March 31st, 2021	6,000	1,200	(2,250)	(2,833)	71,351	5,549	79,017	2,075	81,092

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 delle Industrie 16, is a joint-stock company enrolled in the Venice Companies' Registration Office.

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

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

The Group at March 31, 2021, comprised of 31 companies located on 4 continents, of which 9 production companies and 22 commercial and service companies.

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.

Piovan S.p.A, as a listed company, is subject to Article 2.2.3 of the Stock Exchange regulation. According to this regulation, the company has prepared the Periodic Financial Statements at March 31, 2021, which were made available to the public.

The Periodic Financial Statements at March 31, 2021 were prepared as per Article 154-ter of Legislative Decree 58/98 and subsequent amendments, in addition to the Consob's Issuers' Regulation.

Content, form and basis of preparation of the Periodic Financial Statements at March 31, 2021

The Periodic Financial Statements at March 31, 2021 were drawn up according to the IAS/IFRS accounting standards endorsed by the European Union. For the preparation of the Periodic Financial Statements at March 31, 2021, 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 March 31, 2021 include the results of the parent company and of the subsidiaries. These explanatory notes were prepared by the Board of Directors on the basis of the consolidation and accounting records updated to March 31, 2021.

Comparison is made with the statement of financial position at December 31, 2020 and with the statement of profit and loss and statement of comprehensive income, in addition to the statement of cash flow, for the first quarter of 2020.

The Periodic Financial Statements at March 31, 2021 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 the notes for the period between January 1, 2021 and March 31, 2021. The Periodic Financial Statements at March 31, 2021 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 Periodic Financial Statements at March 31, 2021 have been drawn up in thousands of Euro, which is the "functional" and "presentation" currency of the Piovan Group in accordance with IAS 21 "Foreign currency transactions". There may be rounding differences when individual line items are added together as the individual line items are calculated in euro (rather than in thousands of euro).

The preparation of the Periodic Financial Statements at March 31, 2021 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, 2020 with regards to the main areas requiring the use of estimates and assumptions.

COVID-19 impacts

Beginning in the initial months of last year, the COVID-19 global pandemic emergency evolved, which significantly impacted the population and the global economy putting significant pressure on national health systems and with the gradual introduction by governmental authorities of a series of measures to contain the risk of the virus's spread. The medium-term outlook is gradually improving thanks to the beginning of the vaccination campaigns in 2021. The world meanwhile remains heavily impacted by the fresh waves and increasingly contagious COVID-19 virus variants, with cases increasing in many countries.

In this volatile environment, all Piovan Group companies remain fully operative, having adopted measures and protocols to protect employees.

The impacts of this situation on Group operations have to date mainly taken the form of a slowdown to operations concerning personnel subject to travel. The restrictions introduced by Governments on the mobility of individuals delayed in certain cases the execution of the concluding phases of a number of projects requiring installation on-site at customer premises.

From a financial viewpoint, the parent company in 2020 obtained 3, 6 and 12-month moratoriums on loan repayment commitments. In addition, the US company received in May 2020 a government loan as per the Paycheck Protection Program (PPP) of USD 1,855,042, of which approx. USD 1,400,000 may be converted into a non-refundable grant on meeting certain conditions.

Consolidation scope and basis

The Periodic Financial Statements at March 31, 2021 include the financial statements at March 31, 2021 of the parent company and of the Italian and overseas subsidiaries.

Subsidiaries are those entities in which the Group exercises control, as defined by IFRS 10 - "Consolidated financial statements". Control exists when the Group has the power, directly or indirectly, to determine the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are consolidated from the date in which control occurs until the moment in which such control terminates and with reference to associated companies, from the date in which the significant influence is acquired until the date such influence ceases to exist.

"Other information" in the Explanatory Notes outlines the companies included in the consolidation scope at March 31, 2021.

The consolidation criteria adopted to prepare the Periodic Financial Statements at March 31, 2021 are the same as those adopted and reported in the annual financial report at December 31, 2020.

The Company decided not to proceed with the line-by-line consolidation of a subsidiary as considered immaterial and as its recognition would not have any significant effect for the purposes of the correct representation of the balance sheet, income statement and financial position of the Group.

The subsidiary excluded from line-by-line consolidation is as follows:

Company	% of ownership as at 31.12.2020	% of ownership as at 31.03.2021
CMG America Inc.	100%	100%

Main accounting standards applied

In preparing the Periodic Financial Statements at March 31, 2021, the same accounting standards and policies used to prepare the Consolidated Financial Statements at December 31, 2020 were adopted and to which reference should be made. In addition, with regards to the accounting standards applicable from January 1, 2021, and indicated in the annual financial report at December 31, 2020, no significant impacts were recorded.

Accounting policies

In preparing the Periodic Financial Statements at March 31, 2021, the same accounting policies as those adopted to prepare the Annual Financial Report at December 31, 2020 were adopted and to which reference should be made.

Translation of balances in foreign currencies

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

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

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

The main exchange rates (currency for 1 Euro) used to translate the financial statements in currencies other than the Euro for the periods ended March 31, 2021, December 31, 2020 and March 31, 2020 (comparative data) are summarized below:

Currency		Average rate		Closing rate	
		31.03.2020	31.03.2021	31.12.2020	31.03.2021
BRL	Brazilian Real	4.9111	6.5928	6.3735	6.7409
CAD	Canadian Dollar	1.4808	1.5273	1.5633	1.4782
CZK	Czech Koruna	25.6137	26.0648	26.242	26.143
CNY	Yuan Renminbi	7.6936	7.81103	8.0225	7.6812
GBP	Pound Sterling	0.8616	0.87469	0.89903	0.85209
HUF	Forint	339.077	360.986	363.89	363.27
MXN	Mexican Peso	22.0446	24.516	24.416	24.0506
USD	US Dollar	1.1023	1.20560	1.2271	1.1725
THB	Baht	34.492	36.4890	36.727	36.658
INR	Indian Rupee	79.8511	87.9081	89.6605	85.813
TRY	Turkish Lira	6.7391	8.9048	9.1131	9.725
AED	UAE Dirham	4.0482	4.42750	4.5065	4.306
JPY	Yen	120.095	127.7270	126.49	129.91
VND	Dong	25,633	27,787	28,331	27,054
MAD	Dirham Marocco	10.6403	10.7850	10.92	10.63
KRW	Won sud	1,315.90	1,343.09	1,336.00	1,324.19

Any goodwill or recognition of adjustments to the fair value of net assets on the acquisition of foreign subsidiaries with a functional currency other than that of the parent company must be

expressed in the functional currency of the foreign subsidiary and translated at the period-end exchange rate (in accordance with the general rules for translating financial statements with functional currencies other than those of the parent company).

Utilization of estimates

When preparing the Periodic Financial Statements at March 31, 2021, the Directors had to apply accounting policies and methods which, in some circumstances, are based on difficult, subjective evaluations, or on past experience or on assumptions that are, periodically, considered reasonable and realistic depending on the specific circumstances. The application of these estimates and assumptions impact upon the amounts reported in the financial statements, in addition to the disclosure.

The final outcome of the valuations for which the above estimates and assumptions were used may differ from those reported in the financial statements because of the uncertainty that characterizes the assumptions and the conditions on which the estimates are based.

The items that, given their nature, have provided for greater recourse by the Directors to the use of estimates and for which a change in the conditions underlying the assumptions used may have an impact on the consolidated financial statements are as follows:

- Liabilities for put options granted to minority shareholders: the conditions under which these liabilities exist and their valuation, depending on the contractual provisions, may be based on future forecasts relating to economic and financial parameters and are therefore inherently uncertain;
- Impairment test on goodwill: this test is used to assess the recoverability of goodwill allocated to cash generating units. The allocation of goodwill to cash generating units and the determination of its value in use requires the use of estimates that depend on factors that may change over time.

Impairment test for goodwill

The Group tests goodwill for impairment at least once a year. For the purposes of this test, the recoverable value generated by the cash generating units (CGU's) was determined as the value in use using the "discounted cash flow" method. The Piovan Group prepared the impairment tests at June 30, 2020 and December 31, 2020, updating the impairment tests on goodwill and reviewing the forward-looking data for the CGU's in view of the extraordinary circumstances stemming from the COVID-19 pandemic.

Liabilities for options granted to minority shareholders

In cases where less than 100 per cent of the shares of a subsidiary in a business combination have been acquired, a put option may be granted to the seller allowing the seller to sell its remaining interest in the subsidiary to the acquirer at a specified price. The acquisition of control of a business is recognized in accordance with IFRS 3 Business Combinations. With regard to the put option granted, regardless of whether the exercise price of the put option is a fixed or variable price, in accordance with IAS 32 (paragraph 23) a liability is recognized at a value equal to the present value of the amount that could be required to be paid to the counterparty. On initial recognition, the value of the liability arising from put options is recorded as a reduction in

Group equity. Subsequent changes in the fair value of the liability are recognized in the income statement. The Group also continues to recognize the minority interests in the result for the year and in shareholders' equity until the put option is exercised.

Stock Grants

The Group has granted incentive plans based on equity-settled instruments and cash-settled incentives, on the basis of which the Group receives services from its employees, collaborators or directors with delegated powers (excluding the executive chairman). These incentive plans are recognized and measured in accordance with IFRS 2.

Information on risks and financial instruments

The accounting policies applied in the preparation of the Period Financial Statements at March 31, 2021 for financial instruments are described in the "Accounting policies" section of the Annual Financial Report at December 31, 2020.

Group operations are exposed to a series of financial 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, 2020 regarding the risks to which the Group is exposed and their management. In particular, with regards to the risks related to the general economic conditions, 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. 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. For further details, reference should be made to the "Covid-19 Impacts" paragraph.

Explanatory Notes to the Consolidated Financial Statements

[1] Property, plant & equipment

They amount to Euro 51,582 thousand at March 31, 2021 (Euro 52,324 thousand at December 31, 2020). They are composed as shown in the following tables, which also present the changes in the first quarter of 2021.

CHANGES DURING THE PERIOD	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Total
Balance at December 31, 2020	38,193	9,306	231	4,339	255	52,324
of which:						
- Historical cost	45,074	19,580	5,808	17,056	255	87,774
- Depreciation fund	(6,881)	(10,274)	(5,578)	(12,717)		(35,450)
Changes in 2020						
- Additions	19	15	18	81	1	134
- IFRS16 effect				171		171
- Change in consolidation scope (Historical cost)						
- Change in consolidation scope (Depreciation fund)						
- Reclassifications (Historical cost)	(3)			59		56
- Reclassifications (Depreciation fund)	3			(83)		(80)
- Disposals (Historical cost)		(121)	(26)	(74)		(221)
- Disposals (Depreciation fund)		119	26	75		220
- Exchange rate differences (Historical cost)	304	116	2	50		473
- Exchange rate differences (Depreciation fund)	(37)	(77)	(1)	(38)		(152)
- Depreciation	(359)	(239)	(80)	(90)		(767)
- Depreciation IFRS16	(426)	(22)		(128)		(576)
Balance at March 31, 2021	37,693	9,097	171	4,364	256	51,582
of which:						
- Historical cost	45,394	19,590	5,803	17,173	256	88,216
- Depreciation fund	(7,700)	(10,493)	(5,632)	(12,980)	-	(36,806)

Investments in the first three months amounted to Euro 134 thousand; increased right-of-use assets of Euro 171 thousand were also recognized due to the accounting as per IFRS 16 of the new vehicle contracts signed in 2021.

At March 31, 2021, 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.

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

CHANGES DURING THE PERIOD	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Total
Balance at 31 st , December 2020	14,710	146		875	15,731
of which:					
- Historical cost	22,201	1,870		2,405	26,476
- Depreciation fund	(7,491)	(1,724)		(1,531)	(10,745)
- Total changes IFRS16					
- New IFRS16 contracts				171	171
- Depreciation ex IAS17	(67)	(22)			(89)
- Depreciation	(359)			(128)	(487)
Balance at 31 st , March 2021	14,284	124		918	15,326
of which:					
- Historical cost	22,201	1,870		2,576	26,647
- Depreciation fund	(7,917)	(1,746)		(1,659)	(11,321)

[2] Intangible assets

They amounted to Euro 27,277 thousand at March 31, 2021, compared to Euro 27,529 thousand at December 31, 2020. The breakdown of the movements is as follows:

CHANGES DURING THE PERIOD	Goodwill	Industrial patent and intellectual property rights	Concessions, licences, trademarks and similar rights	Other intangible assets	Fixed assets under construction and advances	Total
Balance at 31 st December 2020	22,158	497	50	4,774	49	27,529
Changes in 2021						
- Additions		24	1	45	10	80
- Consolidation area change						
- Disposals (Historical cost)						
- Disposals (Depreciation fund)						
- Exchange rate differences (Historical cost)	142	25		15		182
- Exchange rate differences (depreciation fund)						
- Depreciations (Intangible Doteco)				(361)		(361)
- Depreciations		(73)	(17)	(63)		(153)
Balance at 31 st , March 2021	22,300	473	34	4,410	59	27,277

Goodwill at March 31, 2021 amounted to Euro 22,300 thousand compared to Euro 22,158 thousand at December 31, 2020. The goodwill mainly refers to:

- the acquisition of the US subsidiary Universal Dynamics Inc. ("Unadyn") in 2008;
- the acquisition of Energys S.r.l. in 2016;
- the acquisition of Penta S.r.l. at the end of 2014, the acquisition of the subsidiary Progema S.r.l. in 2016 and the acquisition of the majority of FEA Ptp S.r.l. in 2019 (Food CGU);
- the acquisition of the majority of Toba PNC in 2019;
- the acquisition of Doteco Group in 2020.

Goodwill	31.12.2020	Increase	Decrease	Change in translation reserve	31.03.2021
UnaDyn	3,051			142	3,193
Energys	276				276
Food	2,146				2,146
Toba Pnc	982				982
Doteco	15,695				15,695
Other goodwill	8				8
Total	22,158	-	-	142	22,300

The Group has no goodwill which is tax deductible.

The change in the goodwill of UnaDyn derives from the change in the USD/Euro exchange rates at the end of each period and therefore these changes are a non-cash movement.

In consideration of the ever increasing integration, both from an economic and organizational viewpoint, between the companies Penta, Progema and FEA, these companies are considered to form the "Food" CGU. This decision was taken in view of the long-term strategy of the three companies which present an integrated offer on the Food Systems market.

With reference to the investee companies, the Parent Company holds options to purchase minority interests, and specifically the option to purchase the residual minority interests in FDM Gmbh, Fea and Toba.

[3] Equity Investments

At March 31, 2021, investments amounted to Euro 155 thousand and remained unchanged on December 31, 2020.

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

Company	Registered office	%	31.12.2020	Change in consolidation area	Increase / Decrease	31.03.2021
CMG S.p.A.	Budrio (BO)	20%	146			146
Penta Auto Feeding India Ltd	Navi Mumbai (India)	50%				
Piovan Maroc Sarl.AU	Kenitra (Marocco)	100%				
Others			9			9
Total			155	-	-	155

The investments in associated companies and joint ventures indicated in the table above were measured using the equity method and a similar valuation method was used with reference to investments in subsidiaries for which, as indicated in the section "Basis of Consolidation", the Directors decided not to proceed with full consolidation as they were not considered significant either individually or collectively. This approach did not have any significant effects on the correct representation of the Group's equity, economic and financial position.

With reference to the investee Penta Auto Feeding India Ltd. it should be noted that the value of the investment was reduced to zero and a risk provision was set up, amounting to Euro 59 thousand at March 31, 2021, as the shareholders' equity, at the date of the valuation, was negative for this amount.

[4] Other non-current assets

At March 31, 2021, these amounted to Euro 542 thousand compared to Euro 576 thousand at December 31, 2020; they mainly refer to various security deposits paid by Group companies on utilities and lease contracts for buildings where Group companies have their headquarters.

[5] Deferred tax assets and liabilities

Deferred tax assets amounted to Euro 4,658 thousand at March 31, 2021 compared to Euro 4,788 thousand at December 31, 2020. The Group 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 quarter, 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.

Deferred tax assets do not include assets arising from the valuation of tax losses.

Deferred tax liabilities amounted to Euro 2,781 thousand at March 31, 2021 compared to Euro 2,713 thousand at December 31, 2020.

[6] Inventories

At March 31, 2021, they amounted to Euro 37,754 thousand compared to Euro 36,920 thousand at December 31, 2020; the breakdown is shown below:

Inventories	31.03.2021	31.12.2020
Raw materials	7,848	6,833
Semi-finished products	16,179	18,594
Finished goods	17,922	14,986
Progress payments	745	735
Allowance for inventory write-down	(4,939)	(4,229)
Inventories	37,754	36,920

At March 31, 2021, inventories increased by Euro 1,545 thousand, gross of the obsolescence provision. The increase, regarding the Raw materials and Finished products categories, mainly relates to normal operational developments.

A provision for obsolete or slow-moving inventories is recorded to reflect the difference between the cost and estimated realizable value of obsolete raw materials, semi-finished and finished products. The provision in the income statement is classified under Purchases of raw materials, components, goods and change in inventories.

[7] Assets and liabilities for contract work-in-progress

At March 31, 2021 the item Assets for contract work-in-progress amounted to Euro 4,714 thousand, compared with Euro 6,477 thousand at December 31, 2020.

Liabilities for contract work-in-progress amounted to Euro 5,020 thousand at March 31, 2021, compared with Euro 5,101 thousand at December 31, 2020. In particular, this principally refers to work-in-progress on contracts of Penta S.r.l. and Piovan UK.

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	31.03.2021	31.12.2020
Measurement of contracts in progress (costs incurred added to profits recognized)	10,612	10,729
Progress payments received	(5,897)	(4,252)
Amounts due from customers	4,714	6,477

Contract liabilities for work in progress	31.03.2021	31.12.2020
Measurement of contracts in progress (costs incurred added to profits recognized)	9,261	6,501
Progress payments received	(14,281)	(11,602)
Amounts due to customers	(5,020)	(5,101)

The decrease of Assets for contract work-in-progress compared to December 31, 2020 was due to increase in advances received.

Liabilities for contract work-in-progress were substantially in line with December 31, 2020 due to the increase both in advances from clients and in the projects progress.

The changes between December 31, 2020 and March 31, 2021 are reported below:

	31.12.2020	Increase	Decrease	31.03.2021
Contract assets for work in progress	6,477	(4,697)	2,935	4,714
Contract liabilities for work in progress	(5,101)	2,813	(2,732)	(5,020)

Revenue from contract work-in-progress amounted to Euro 8,179 thousand in the first quarter of 2021 and related mainly to Penta S.r.l., FEA S.r.l. and Piovan UK.

[8] Trade receivables

They amounted to Euro 46,407 thousand at March 31, 2021, compared to Euro 41,931 thousand at December 31, 2020. This item, which represented the exposure towards third parties, is broken down as follows:

	31.03.2021	31.12.2020
Gross trade receivables	51,655	46,905
Provision for bad debt	(5,248)	(4,974)
Trade receivables	46,407	41,931

Receivables in the first three months of 2021, gross of the provision, increased on 2020 year-end (+10.13%). This is due to the strong revenues in the first three months of 2021.

Write-downs are made on the basis of a careful analysis of past due accounts, customers in financial difficulties and clients with whom legal action has been initiated, in addition to estimated expected losses on receivables.

The doubtful debt provision reflects management's estimate based on the expected losses by the Company, based on past experience for similar receivables, current and historic amounts overdue, losses incurred, receipts, careful monitoring of the credit quality and projections on economic and market conditions, with the information known at the reporting date.

<i>Provision for bad debt</i>			
31.12.2020	4,974	31.12.2019	4,793
Decrease	(191)	Decrease	(249)
Accruals	413	Accruals	1,317
Utilisations		Utilisations	(496)
Change in consolidation area		Change in consolidation area	3
Exchange rate differences	52	Exchange rate differences	(387)
Riclassifications	0	Riclassifications	(7)
31.03.2021	5,248	31.12.2020	4,974

The annual provision is included under Other operating costs.

It should also be noted that the Group did not encounter any difficulties in collecting receivables in the first three months and there are no credit positions at risk related to the Covid emergency.

[9] Current financial assets

They amounted to Euro 5,161 thousand at March 31, 2021, compared to Euro 5,146 thousand at December 31, 2020. This item includes 4 different bonds purchased in order to invest available financial resources. These instruments were measured at fair value (level 1) at March 31, 2021 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.

The total effect of the fair value measurement in 2021 is a net gain of Euro 15 thousand.

[10] Tax receivables

They amounted to Euro 3,218 thousand at March 31, 2021, compared to Euro 3,263 thousand at December 31, 2020.

Tax receivables	31.03.2021	31.12.2020
VAT receivables	2,365	2,601
Other current tax assets	852	662
Tax receivables	3,218	3,263

[11] Other current assets

They amounted to Euro 5,834 thousand at March 31, 2021, compared to Euro 3,497 thousand at December 31, 2020. A breakdown follows:

Other current assets	31.03.2021	31.12.2020
Advances to suppliers	3,676	2,179
Receivables from parent	0	40
Prepayments and accrued expenses	1,436	870
Other receivables	723	409
Other current assets	5,834	3,497

The item Receivables from parent companies which included receivables from the parent company Pentafin S.p.A. relating to IRES (corporate income tax) refund applications submitted by the tax consolidating company on behalf of Piovan S.p.A. with reference to the non-deduction of IRAP from taxable income for the years 2007-2011 (Law Decree 201 of 2011) and 2005-2007 (Law Decree 85 of 2008) was fully collected in the quarter.

[12] Cash and cash equivalents

They amounted to Euro 87,900 thousand at March 31, 2021 compared to Euro 87,452 thousand at December 31, 2020.

Cash and cash equivalents	31.03.2021	31.12.2020
Current accounts and post office deposits	87,878	87,431
Cash equivalent	0	0
Cash	22	21
Cash and cash equivalents	87,900	87,452

For an analysis of the variations in cash and cash equivalents, reference should be made to the statement of cash flow and the comments on the Group performance.

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

At March 31, 2021, there were no restrictions on the availability of the Group's current accounts.

[13] Group shareholders' equity

Shareholders' equity is made up as follows:

Equity attributable to the owners of the parent	31.03.2021	31.12.2020
Share capital	6,000	6,000
Legal reserve	1,200	1,200
Reserve for own shares in portfolio	(2,250)	(2,250)
Translation reserve	(2,833)	(3,756)
Other Reserves and retained earnings	71,351	53,576
Net profit (loss)	5,549	17,643
Equity attributable to the owners of the parent	79,017	72,414

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.

There were no changes compared to December 31, 2020 and therefore the Company and the Group as at March 31, 2021 hold 2,670,700 treasury shares, equal to 4.98% of the share capital of Piovan S.p.A., directly through Piovan S.p.A. with a value of Euro 2,250 thousand at March 31, 2021.

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

The item Other reserves and undistributed profits 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. This item changed during 2021 following the allocation of the previous year's result.

[14] Earnings per share

At March 31, 2021, the shares in circulation numbered 53,600,000 and the treasury shares held by Piovan S.p.A. amounted to 2,670,700.

The average number of shares relevant for the calculation of earnings per share is 50,929,300 shares corresponding to existing shares (53,600,000) less the number of treasury shares in portfolio (2,670,700).

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. No ordinary shares were repurchased or issued during the years in

question, nor are there any potential ordinary shares in circulation that could be converted with a dilutive effect. However, it should be noted that under the 2020 - 2022 Performance Shares Plan, there are ordinary shares that could be granted at the end of the vesting period, drawing on treasury shares held in portfolio, which could have a dilutive effect.

The basic earnings per share is as follows:

Earnings per share	31.03.2021	31.12.2020
Net Profit Attributable to Owners of the Parent (in thousands of Euros)	5,549	17,643
Weighted average number of ordinary shares (in thousands of units)	50,929	50,929
Basic earnings per share (in Euros)	0.11	0.35

The diluted earnings per share is as follows:

Earnings per share	31.03.2021	31.12.2020
Net Profit Attributable to Owners of the Parent (in thousands of Euros)	5,549	17,643
Weighted average number of ordinary shares (in thousands of units)	50,886	50,886
Dilutive earnings per share (in Euros)	0.11	0.35

[15] Minority interest shareholders' equity

The minority interest shareholders' equity at March 31, 2021 amounted to Euro 2,075 thousand compared to Euro 2,219 thousand at December 31, 2020. The account includes the minority interests in the subsidiaries Progema S.r.l., FDM GmbH, FEA and Toba. The loss in the first three months of 2021 mainly concerned the minority interest share of the subsidiaries Toba and Progema S.r.l., which reported losses in the period.

The dividends distributed refer to the pro-rata attributable to the minority shareholders of FDM GmbH.

Equity attributable to non-controlling interests					
31.12.2020	Net profit	Dividends paid	Changes in %	Changes in consolidation scope	31.03.2021
2,219	(35)	(100)	(9)	-	2,075

[16] Current and non-current financial liabilities

The account is broken down as follows:

Current financial liabilities	31.03.2021	31.12.2020
Short-term bank borrowings	22,000	21,305
Current portion of long-term loans	18,970	17,833
Loans for leases	330	329
Other loans and borrowings	1,385	1,412
Current financial liabilities	42,685	40,879

Non-current financial liabilities	31.03.2021	31.12.2020
Medium to long-term bank loans	35,740	38,262
Bonds	0	0
Loans for leases	1,092	1,099
Other loans and borrowings	7,950	8,019
Non-current financial liabilities	44,782	47,379

At March 31, 2021 and December 31, 2020, the main details of bank loans by maturity are detailed below:

Current financial liabilities	31.12.2020	Net cash flow	Reclassification from current to non-current of the year	Increases for new loans	Change in consolidation scope	Increase for new rent/lease	31.03.2021
Short-term bank borrowings	21,305	695					22,000
Current portion of long-term loans	17,833	(1,457)	2,594				18,970
Other current financial liabilities	1,741	(68)				42	1,715
Current financial liabilities	40,879	(830)	2,594			42	42,685

Non-current financial liabilities	31.12.2020	Net cash flow	Reclassification from current to non-current of the year	Increases for new loans	Change in consolidation scope	Increase for new rent/lease	31.03.2021
Medium to long-term bank loans	38,262	(9)	(2,513)				35,740
Bonds							
Other non-current financial liabilities	9,118	(202)				126	9,042
Non-current financial liabilities	47,380	(211)	(2,513)			126	44,782

[17] Employee defined benefits

The item mainly included (Euro 6,535 thousand at March 31, 2021 and Euro 6,333 thousand at December 31, 2020) 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.

The remaining part of the balance (Euro 45 thousand at March 31, 2021 and Euro 43 thousand at December 31, 2020) concerns employee benefits paid by foreign subsidiaries individually and in aggregate not significant.

Compared to the actuarial assumptions outlined in the Explanatory Notes to the Consolidated Financial Report at December 31, 2020, no developments occurred which would require an update to the actuarial calculation and to the underlying assumptions.

[18] Provisions for risks and charges

The provision for risks and charges at March 31, 2021 amounted to Euro 3,680 thousand compared to Euro 3,813 thousand at December 31, 2020. The composition and the movements of the item are shown in the following table:

Provisions for risks and charges	31.12.2020	Accruals	Releases/ Reclassifications	Exchange rate differences	31.03.2021
Provision for legal and tax risks	2,648	2	(173)	(7)	2,470
Provision for product warranties	804	27		10	841
Provision for agents' termination benefits	219	6			225
Pension provision	42	2			44
Provision for investments' losses	75				75
Other provisions for risks	25				25
Provisions for risks and charges	3,813	37	(173)	3	3,680

The provision at March 31, 2021 increased for the accrual in the period of Euro 37 thousand and decreased due to releases of approx. Euro 173 thousand, in addition to the currency fluctuation effect.

The provision for legal and tax risks at March 31, 2021 mainly included:

- a provision of Euro 121 thousand of the subsidiary Piovan France Sas set aside in 2017 associated with the reorganization of the commercial network on the French market. This provision was released for approx. Euro 13 thousand in the quarter;
- a provision of Euro 346 thousand of the subsidiary Piovan Do Brasil accrued in previous years against a potential liability that could arise as a result of a more restrictive interpretation of the tax regulations for the calculation of indirect taxes. The subsidiary appointed highly qualified tax consultants to analyse the case and quantification of the accrual. The value of this provision at March 31, 2021, on the one hand, decreased due to the appreciation of the local Brazilian currency against the Euro for Euro 16 thousand and the release of Euro 13 thousand;
- a provision set aside starting from 2018 for a total amount of USD 300 thousand (Euro 256 thousand) against a potential liability linked to indirect taxation in various states;
- a provision of Euro 1,270 thousand set aside during 2020 which represents the best estimate of potential charges related to the commercial activities of Piovan S.p.A., Penta S.r.l and FEA ptp S.r.l.;
- a provision of Euro 120 thousand set aside starting from 2018 which represents the best estimate of potential charges related to the commercial activities of Penta S.r.l.;

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

The provision for risks on investments includes the charges and income relating to the valuation of investee companies at equity and not consolidated.

[19] Non-current and current liabilities for options granted to minority shareholders

The items in question refer to liabilities for put options granted to the minority shareholders of FEA and Toba. Specifically:

o with reference to FEA, the liability concerns a 49% holding of minority shareholders. This option should be exercised between 30.04.2022 and 30.04.2024. The value of the liability, for the purposes of preparing the periodic financial statements at March 31, 2021, was determined by applying the contractual formula to the economic and financial data available.

o with reference to Toba, the liability concerns a 49% holding of minority shareholders. This option should be exercised between 31.12.2022 and 31.12.2024. The value of the liability, for the purposes of preparing the periodic financial statements at March 31, 2021, was determined by applying the contractual formula to the economic and financial data available.

In order to calculate the value of these liabilities, the parent company took into account the updates to the above-stated operating and financial forecasts, applying the contractually-defined formula and discounting the value.

For further details on the accounting policies, reference should be made to the Financial Statements at December 31, 2020.

It should be noted that the conditions on the basis of which these liabilities exist, as well as their valuation made in accordance with contractual provisions, are based on estimated future forecasts of economic and financial parameters, therefore the above estimates and assumptions may differ from the historical figures reported in the financial statements due to the inherent uncertainty that characterizes the assumptions and conditions on which these estimates are based.

Therefore, the book value of the liabilities for put options described above represent the best estimate, at each reference date, of their present value, changes in valuation are reflected in the income statement under income/(expense) from the valuation of liabilities for options granted to minority shareholders.

	31.12.2020	Reclassification	Increase	Decrease	Purchase	Charges (Income) from valuation	31.03.2021
Put Option FEA (49%)	740						740
Put Option Toba (49%)	1,125						1,125
Total Put Option	1,865						1,865
<i>of which</i>							
<i>Non-current</i>	1,865						1,865
<i>current</i>							-

With reference 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.

[20] Other non-current liabilities

At March 31, 2021 these amounted to Euro 396 thousand compared to Euro 363 thousand at December 31, 2020 and are represented by tax payables of the subsidiary Piovan Do Brasil and payables to the employees of Piovan S.p.A..

[21] Trade payables

They amounted to Euro 36,666 thousand at March 31, 2021, compared to Euro 39,912 thousand at December 31, 2020.

The movement in this item on December 31, 2020 derives from the normal fluctuation in relation to the business activities of the various companies.

[22] Advances from customers

At March 31, 2021, Advances from customers amounted to Euro 21,716 thousand, compared to Euro 19,421 thousand at December 31, 2020. This item refers to advances received by customers and relating to contracts where performance obligations are met at a point in time.

[23] Tax payables and social security institutions

They amount to Euro 6,525 thousand at March 31, 2021, compared to Euro 9,360 thousand at December 31, 2020. The account is broken down as follows:

	31.03.2021	31.12.2020
Social security contributions	2,782	3,407
VAT liabilities	1,274	2,922
Tax withholdings for employees	987	1,809
Income tax liabilities (IRES and IRAP)	1,217	1,009
Others	265	212
Tax liabilities and social security contributions	6,525	9,360

[24] Other current liabilities

They amounted to Euro 21,415 thousand at March 31, 2021, compared to Euro 18,243 thousand at December 31, 2020. The account is broken down as follows:

	31.03.2021	31.12.2020
Payables to employees	5,778	4,143
Payables to parent company	1,426	346
Accrued income and deferred expense	2,771	2,355
Other payables	11,440	11,399
Other current liabilities	21,415	18,243

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 derive from the tax consolidation contract in place with the parent company Pentafin S.p.A.

Explanatory Notes to the Consolidated Statement of Profit and Loss

[25] Revenue

Revenue equal to Euro 64,081 thousand in the first three months of 2021, compared to Euro 51,282 thousand in the first three months 2020, increasing 25%. At like-for-like consolidation scope, the increase was 16%.

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:

	First quarter 2021	First quarter 2020
Plastic	45,832	42,418
Food & non plastic	9,970	2,144
Services	8,279	6,720
Revenue	64,081	51,282

Part of the revenues of the Plastic Systems and the Food and non plastics Systems markets derives 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, 2020. These revenues amounted to Euro 8,179 thousand in the first three months of 2021, while in the first three months of 2020 were equal to Euro 3,810 thousand. Such revenue mainly relates to the subsidiary Penta S.r.l., FEA S.r.l. and to Piovan UK.

The breakdown of revenue by region is as follows:

	First quarter 2021	First quarter 2020
EMEA	45,078	28,883
ASIA	5,590	7,197
NORTH AMERICA	9,698	12,637
SOUTH AMERICA	3,715	2,565
Revenue	64,081	51,282

Revenues in EMEA include revenues in Italy which amounted to Euro 12,389 thousand in the first three months of 2021 and Euro 7,709 thousand in the first three months of previous year.

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

[26] Other revenue and income

Other revenue amounted to Euro 732 thousand, decreasing Euro 313 thousand compared to the first three months of 2020 and which break down as follows:

	First quarter 2021	First quarter 2020
Accessory transport services for sales	486	655
Machinery rent	26	5
Grants related to income	39	78
Gains for disposal of tangible and intangible assets	50	58
Gains for disposal of tangible and intangible assets	14	
Recharges to suppliers	0	38
Insurance compensation	3	18
Agency commissions	0	2
Sale of scrap materials	11	17
Increase in fixed assets for internal works	5	53
Other	98	122
Other revenue and income	732	1,045

Transport ancillary services on sales mainly refers to revenues from transport ancillary services related to sales transactions with customers.

Machinery rental 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.

Operating grants are mainly represented by grants for research and development of Piovan S.p.A.

Other Revenue mainly includes recharges and penalties applied to customers.

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

This item amounted to Euro 26,676 thousand in the first three months of 2021 compared to Euro 19,292 thousand in the first three months of the previous year. This item is broken down as follows:

	First quarter 2021	First quarter 2020
Costs of raw materials, components and goods	26,468	21,032
Costs of consumables	893	837
Change in raw materials and goods	(763)	(1,040)
Change in finished goods and semi-finished products	77	(1,538)
Costs of raw materials, components and goods and changes in inventories	26,676	19,292

The increase in purchases for raw materials, components and goods was mainly due the increase in sales and, secondarily, to a combination of the mix effect and increased raw material costs.

[28] Service costs

Service costs amounted to Euro 11,811 thousand in the first quarter of 2021, compared with Euro 11,766 thousand in 2020, increasing Euro 0.4%.

This item is broken down as follows:

	First quarter 2021	First quarter 2020
Outsourcing	5,203	5,125
Transport	1,540	1,610
Business trips and travel	643	833
Agency commissions	765	714
Fees to directors, statutory auditors and independent auditors	510	469
Consultancies	660	723
Maintenance and repairs	484	492
Marketing and advertising	326	405
Utilities	388	349
Insurance	259	278
Telephone and connections	146	127
Other costs for services	888	641
Services	11,811	11,766

The most significant service costs concern the parent company Piovan S.p.A. and the subsidiaries Universal Dynamics and Penta S.r.l.

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

- outsourcing costs amounting to Euro 5,203 thousand in the first three months of 2021 (44% 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 three months of 2020, this item amounted to Euro 5,125 thousand (43.6% of total *Service Costs*). Outsourcing as a percentage of revenue decreased compared to the first three months of the previous year;
- transport costs on purchases and sales, whose amount did not differ significantly from the same period of the previous year;
- travel and accommodation relating to both commercial activities and customer relations, and travel to customers' production sites to carry out installation and start-up and customer assistance. In the first three months of 2021 the account declined considerably due to the lesser movement of personnel due to the restrictions imposed as a result of the COVID pandemic. See the information provided in the "COVID-19 impacts" paragraph of the Explanatory Notes.

[29] Rental, leasing and similar costs

Rental, leasing and similar costs amounted to Euro 351 thousand in the first three months of 2021, compared with Euro 380 thousand for the first three months of 2020.

This item is broken down as follows:

	First quarter 2021	First quarter 2020
Rental expenses	5	136
Leases	120	101
Hires	225	142
Use of third party assets	351	380

From January 1, 2019, for rental contracts covered by IFRS16, the Group recognized a financial liability, and the related lease payments were no longer recognized in the income statement on a straight-line basis, but instead the depreciation of the related right-of-use for the duration of the respective contracts was recognized.

The amounts for “rental, leasing and similar costs” concern contracts which were excluded from the scope of this standard.

[30] Personnel expense

Personnel expense amounted to Euro 16,223 thousand compared with Euro 14,230 thousand in the first three months of 2020. A breakdown of personnel expenses and the workforce by category is provided below:

	First quarter 2021	First quarter 2020
Wages and salaries	12,336	10,723
Social security contributions	3,208	2,966
Costs for defined benefit plans	389	330
Other expenses	289	211
Personnel expenses	16,223	14,230

At like-for-like consolidation scope, personnel expense in the first three months of 2021 was Euro 15,194 thousand.

	First quarter 2021		First quarter 2020	
	period end	average	period end	average
Managers	29	28	28	29
Junior managers	72	72	65	65
White collars	658	660	617	618
Blue collars	396	393	378	386
Total	1,155	1,153	1,088	1,098

The table at March 31, 2021 indicates the increased headcount on March 31, 2020. At like-for-like consolidation scope, the headcount was substantially stable.

[31] Other operating costs

This item amounted to Euro 773 thousand compared with Euro 577 thousand in the previous year. This item is broken down as follows:

	First quarter 2021	First quarter 2020
Other taxes and duties	247	285
Bad debt provision	221	106
Entertainment costs	65	82
Other	240	104
Other expenses	773	577

Other taxes and duties mainly includes indirect taxes on property and local taxes in the various countries and in particular in Brazil and the United States.

[32] Provisions for risks and charges

The item increased Euro 110 thousand following the release of some risk provisions, deemed no longer necessary.

[33] Amortization, depreciation and write-downs

This item amounted to Euro 1,857 thousand compared with Euro 1,237 thousand in the first three months 2020. This item is broken down as follows:

	First quarter 2021	First quarter 2020
Depreciation intangible assets	514	106
Depreciation tangible assets	767	827
Right of Use depreciation	576	304
Depreciation & amortisation	1,857	1,237

The increase in the item was due to greater amortization and depreciation of intangible assets and right-of-use assets. The increase in depreciation of right-of-use is attributable to a higher number of contracts in force in 2021. The increases in amortization of intangible assets refer mainly to the intangibles arising from the allocation of the price difference relating to the acquisition of the Doteco Group.

[34] Financial income and expenses

The item reports net charges of Euro 37 thousand in the first three months of 2021, compared to charges of Euro 240 thousand in the first three months of 2020. This item is broken down as follows:

	First quarter 2021	First quarter 2020
Interest income	69	96
Income on financial assets	19	-
Other financial income	23	27
Financial income	112	122
Bank interest expenses	66	43
Other interest expenses	32	33
Other financial expenses	50	286
Financial expense	149	362
Net financial income (charges)	(37)	(240)

[35] Exchange gains/(losses)

The item reported a positive balance of Euro 439 thousand in the first three months of 2021, compared to a negative balance of Euro 270 thousand in the first three months of 2020. This item is broken down as follows:

	First quarter 2021	First quarter 2020
Exchange rate gains	1,391	1,704
Exchange rate losses	(952)	(1,974)
Net exchange rate gain (losses)	439	(270)

Unrealized foreign exchange gains included under *Foreign Exchange gains* amounted to Euro 1,114 thousand in first three months 2021 (80% of foreign exchange gains for the period) and Euro 1,350 thousand in the first three months of 2020 (79% of foreign exchange gains for the period).

Unrealized foreign *Exchange losses* included under *Foreign exchange losses* amounted to Euro 358 thousand in the first three months of 2021 (38% of foreign exchange losses for the period) and Euro 1,690 thousand in the first three months of 2020 (86% of foreign exchange losses for the period).

[36] Income/(expense) from valuation of liabilities for options granted to minority shareholders

No valuation income or charges are reported in the period; in the first three months of 2020, charges of Euro 59 thousand were reported concerning the put option granted to the minority shareholder Penta (an option exercised by the latter in September 2020). For further details, reference should be made to Note [19].

[37] Gains/(Losses) from investments measured at equity

New amounts were not recognized at March 31, 2021 as the valuations made at December 31, 2020 were confirmed. Reference should be made to note [3] for further information.

[38] Income Taxes

This item amounted to Euro 2,121 thousand in the first three months of 2021 compared to Euro 1,607 thousand in the first three months of the previous year. Income taxes have been determined taking into account the best estimate of the average annual tax rate expected for the whole year.

Other Information

Segment reporting

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. 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 [25].

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, 2020, to which reference should be made for further information.

Related party transactions

During 2020 and 2021, the Group had commercial relations with some related parties of the Group.

In accordance with the provisions of IAS 24, the following entities are considered Related Parties: (a) companies that directly or indirectly through one or more intermediate companies, control, or are controlled or are under common control with the reporting entity; (b) associated companies; (c) natural persons who directly or indirectly have voting power in the reporting entity that gives them a dominant influence over the company and their immediate family members; (d) key management personnel, i.e. those who have the power and responsibility for planning, directing and controlling the activities of the reporting entity, including directors and officers of the company and the immediate family members of such persons; (e) companies in which any natural person described under (c) or (d) has, directly or indirectly, significant voting power, or over which such person has such power. Case (e) includes undertakings owned by the directors or major shareholders of the reporting entity and undertakings which have a manager with strategic responsibilities in common with the reporting entity.

All transactions are regulated at market conditions for goods and services of equal quality. For the balances at December 31, 2020, reference should be made to the Annual Financial Report at December 31, 2020, while for the balances at March 31, 2021 there are no transactions and balances of significant amounts with the exception of the tax consolidation payable due to Pentafin S.p.A. described in note [24].

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

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

Company name	Registered office	Country	Currency	Share capital at 31/03/2021	% shareholding 31/03/2021	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)	China	CNY	5,088,441	100.00%	Piovan S.p.A.	Full
Piovan Do Brasil Ltda	Osasco (BRA)	Brazil	BRL	11,947,356	99.99%	Piovan S.p.A.	Full
Piovan Mexico S. A.	Queretaro (MX)	Mexico	MXN	706,540	99.99%	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)	UK	GBP	25,000	100.00%	Piovan S.p.A.	Full
Piovan Czech Republic s.r.o.	Praga (CZ)	Czech Republic	CZK	200,000	100.00%	Piovan Central Europe GmbH (90%)	Full
						Piovan S.p.A. (10%)	
Piovan France Sas	Chemin du Pognat (F)	France	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)	Germany	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)	Thailand	THB	8,010,000	100.00% (*)	Piovan S.p.A.	Full
FDM GmbH	Troisdorf (DE)	Germany	EUR	75,000	66.67%	Piovan S.p.A.	Full
Piovan Muhendalik Ltd	Beikoz (TR)	Turkey	TRY	10,000	100.00%	Piovan S.p.A.	Full
Penta S.r.l.	Ferrara (IT)	Italy	EUR	100,000	100.00%	Piovan S.p.A.	Full
Energys S.r.l.	Venezia (IT)	Italy	EUR	10,000	100.00%	Piovan S.p.A.	Full
Piovan Japan Inc.	Kobe (J)	Japan	JPY	6,000,000	100.00%	Piovan S.p.A.	Full
Piovan Gulf FZE	Dubai (UAE)	UAE	AED	1,000,000	100.00%	Piovan S.p.A.	Full
Aquatech S.r.l.	Venezia (IT)	Italy	EUR	40,000	100.00%	Piovan S.p.A.	Full
Piovan Vietnam Company Ltd	Mai Chi Tho (Vietnam)	Vietnam	VND	1,136,500,000	100.00%	Piovan S.p.A.	Full
Progema S.r.l.	San Felice sul Panaro (MO)	Italy	EUR	25,000	81.00%	Penta S.r.l.	Full
Piovan Hungary Kft	Budapest	Hungary	HUF	3,000,000	100.00%	Piovan Central Europe GmbH	Full
Piovan Maroc Sarl. AU	Kenitra	Morocco	MAD	1,000,000	100.00%	Piovan S.p.A.	Full
FEA Process&Technological Plants S.r.l.	Scarnafigi (CN)	Italy	EUR	20,400	51.00%	Piovan S.p.A.	Full

Studio Ponte S.r.l.	Poggio Renatico (FE)	Italy	EUR	10,000	51.00%	Penta S.r.l.	Full
Penta Auto Feeding India Ltd	Navi Mumbai (India)	India	INR	10,000,000	50.00%	Penta S.r.l.	Equity method
CMG America Inc.	Clio	Michigan	USD	70,000	100.00%	Piovan S.p.A.	Equity method
TOBA PNC	Seoul	Southern Korea	KRW	500,000,000	51.00%	Piovan S.p.A.	Full
Doteco S.p.A.	Modena (IT)	Italy	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
Equity investments in affiliated companies:							
CMG S.p.A.	Budrio (BO)	Italy	EUR	1,250,000	20%	Piovan S.p.A.	Equity method

Subsequent events to the end of the period

Reference should be made to the “Operational performance” paragraph.

Santa Maria di Sala (Venice), May 13, 2021

On behalf of the Board of Directors

The Chairman

Nicola Piovan

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)

The undersigned Elisabetta Floccari, as Executive Officer for financial reporting, states that the Periodic Financial Statements at March 31, 2021 correspond to the underlying accounting documents, records and entries.

The Executive Officer responsible for the preparation of the financial statements

Elisabetta Floccari



Periodic financial statements at March
31, 2021 of Piovan S.p.A.

PIOVAN S.p.A.

Via delle Industrie 16 – 30036

S. Maria di Sala VE - Italy