PiovanGroup

CONSOLIDATED HALF-YEAR FINANCIAL REPORT

at June 30, 2022

CONTENTS

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

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

Tax No.: 02307730289 VAT No.: 02700490275

Venice Economic & Administrative Registration No. 235320

Corporate Bodies

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 from April 29, 2021 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
Marco Maria Fumagalli (*) (**)	Independent Director
Manuela Grattoni (*)	Independent Director
Mario Cesari (*)	Independent Director
Antonella Lillo (*)	Independent Director

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

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

Board of Statutory Auditors

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

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

Control, Risks and Sustainability Committee

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

Name	In charge
Antonella Lillo	Chairman
Marco Maria Fumagalli	
Mario Cesari	

Nomination and Remuneration Committee

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

Name	In charge
Manuela Grattoni	Chairman
Marco Maria Fumagalli	
Antonella Lillo	

Related Parties Committee

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

Name	In charge
Marco Maria Fumagalli	Chairman
Manuela Grattoni	
Mario Cesari	

Supervisory Board

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

Name	In charge
Patrizia Santonocito	Chairman
Giovanni Boldrin	
Chiara Zilio	

Significant holdings

Based on the shareholders' register, through communications received in accordance with Article 120 of Legislative Decree No. 58/98 and other information available to the company, the shareholders of Piovan S.p.A. with holdings of greater than 5% 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	58.008	62.534	60.990	64.866
7INDUSTRIES HOLDING BV	7INDUSTRIES HOLDING BV	9.282	13.412	9.759	13.912

(*) Total No. ordinary shares: 53,600,000, including Piovan S.p.A. treasury shares equal to 2,620,700.

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

(***) Total No. ordinary shares: 50,979,300, excluding the Piovan S.p.A. treasury shares

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

Executive Officer for Financial Reporting

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

Independent Audit Firm

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

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

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

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

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

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

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

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

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

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

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

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

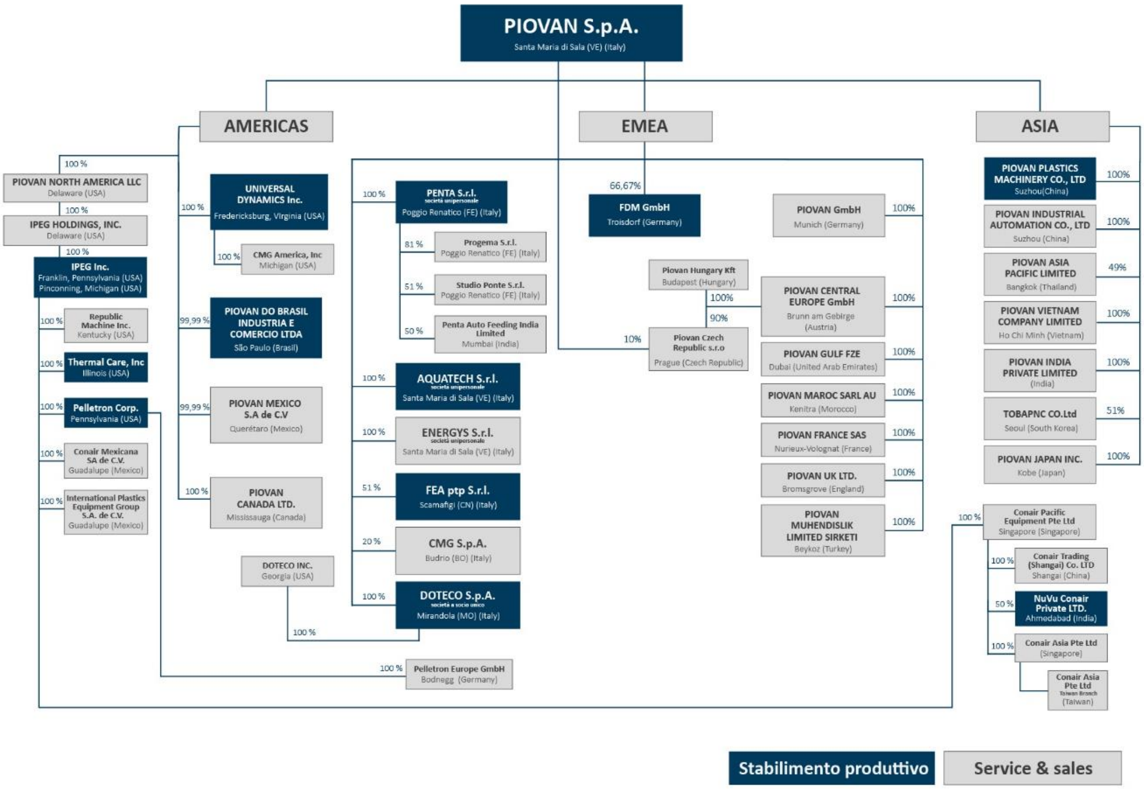
Finally, in January 2022, Piovan S.p.A. completed the acquisition of the entirety of the share capital in Sewickley Capital Inc., owner of 100% of IPEG, Inc. – an industry leader in North America – thereby further strengthening our global leadership in this industry.

Today the Group comprises a network of direct or indirect subsidiaries of Piovan S.p.A., with sites in Europe, the United States and Asia, both thanks to organic growth dynamics and acquisitions. The strategic, managerial and operational direction of the Group, which as of June 30, 2022, comprises 44 service and commercial companies, including 14 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 & Technologica Plants S.r.l.

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

Group structure at June 30, 2022



Group Overview

General economic overview

Within a context that is heavily influenced by the war between Russia and Ukraine, the macroeconomic landscape remains uncertain due to inflation continuing for longer than initially expected and to the implementation of restrictive financial policies around the world, which – together with the scarcity of raw materials and components and various supply-chain issues – could have a significant impact on the outlook for global growth.

In particular, the prices of certain raw materials and industrial components continue to rise, as well as transport costs. Initially expected to be temporary, the persistence of inflationary environment is creating challenges in a number of industries.

With regard to the COVID-19 pandemic, uncertainty remains particularly in relation to new variants and to the various approaches being adopted around the world to combat outbreaks and increases in the number of positive cases.

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

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

Significant events in the first half of 2022

Acquisition of the IPEG Inc. Group

As reported in the Annual Financial Report at December 31, 2021, on January 31, 2022, and in line with the preliminary agreement signed on December 13, 2021, Piovan S.p.A. completed the acquisition of IPEG, Inc., which took place through the merger of Sewickley Capital, Inc., owner of 100% of IPEG, Inc., into a newly Delaware incorporated company and wholly-owned by Piovan S.p.A. through Piovan North America LLC. The transaction took place at the conditions and price reported to the market on December 13, 2021.

The purchase price of the transaction was defined as an initial payment of approx. USD 125 million, on a cash free/debt free basis, in addition to the payment of an earn-out ("Earn-out"), if any, up to a maximum of approximately USD 22 million, to be paid in 2024 upon the achievement of certain EBITDA growth targets of the acquired group over the 2022-2023 period.

IPEG, Inc. is a Delaware-based company active in industrial automation for the transport and processing of polymers and in the production of industrial chillers, with operations and subsidiaries in the United States, India, Mexico, Germany, China, Taiwan and Singapore. The company operates through four main brands - Conair, Thermal Care, Pelletron and Republic Machine. IPEG operates four plants in the US and one in India through the Nu-Vu Conair JV.Based on the figures for the year ended December 31, 2021, the IPEG Group generated revenues of about USD 197.2 million and adjusted EBITDA[1] of USD 16.2 million.

In January 2022, in order to complete this acquisition, a 6-year Euro 100 million fixed-rate loan bearing annual interest of 1.335% was obtained. The loan agreement calls for a grace period and the start of principal payments from April 2023 and establishes certain covenants that must be verified semi-annually beginning on December 31, 2022.

Following the acquisition, as of June 30, 2022, the Group now encompasses 44 production, service and commercial companies, including 14 production sites in 4 continents, and employs over 1,700 people around the world.

Important recognition in the Circular Economy

During the period, the Piovan Group – through its subsidiary Pelletron, Inc. – was awarded an order from NatureWorks - the world's leading producer of bio-polymers - for the automation of their first fully integrated plant located in the Nahkhon Sawan Biocomplex in Thailand, with a manufacturing capacity of 75,000 metric tons of material per year. This will be the second Ingeo™ PLA production facility from NatureWorks in the world, after that from Blair (Nebraska) built in 2002 and expanded in 2013.

New company in China

During the period, the Group established a new company in China – Piovan Industrial Automation Co., Ltd. – for the purpose of creating the Piovan Group's new facilities in the country. With a total expected outlay of USD 10 million over the next two years, the new plant will also be in Suzhou, in the Jiangsu province of China, where ther other plant of the group is situated. It will have a total surface area of 10,000 square meters and will be dedicated to the design and production of complete automation systems for plastics, food powders, and refrigeration solutions.

The new Suzhou site will serve as the headquarters for all of the Group's Asian branches, including Piovan Thailand in Bangkok, Piovan Vietnam in Ho Chi Minh City, Piovan Japan in Kobe, and Toba PNC in Seoul, South Korea.

Russia-Ukraine conflict

The ongoing conflict between Russia and Ukraine is continuing to fuel major international humanitarian and social crises and is having major repercussions on the populations of these nations. Due to the international sanctions being used as a deterrent for some of the countries

[1] EBITDA as defined by contract and calculated in accordance with US GAAP prior to application as defined by contract and IFRS of principles and with the contribution of the joint venture Nu-Vu Conair

involved, we are also seeing a significant impact on trade and on the economic activities, which is exacerbating supply-chain issues over the short term.

The group has only limited exposure in the areas impacted by the war (i.e. Ukraine, Russia, Belarus) in either sales or purchases. Based on H1 2022 figures, and including the recent acquisition of IPEG, Inc., consolidated revenue generated by the Group in Russia, Belarus and Ukraine is 0.2% of the total.

With regard to the recoverability of the value of the intangible assets recognized on the consolidated balance sheet at June 30, 2022, given the marginal impact of the conflict on the Group, the Board of Directors has have not noted any factors that would require an updated impairment test of the CGUs where goodwill is allocated – with the exception of the Toba CGU – as described in greater detail below, but for reasons unrelated to the conflict.

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

Dividends

On April 28, 2022, the Company's Shareholders' Meeting approved, in addition to the 2021 financial statements, the distribution of dividends of Euro 5,092,930, based on the 2021 net profit, totaling Euro 14,204,371. The dividend was paid out from May 11, 2022, with coupon date of May 9, 2022 and record date of May 10, 2022.

Governance

On the same date, the shareholders also authorized the Company's Board of Directors to purchase and make use of treasury shares as detailed in the Directors' report published on the Company's website at www.piovangroup.com.

Subsequent events after June 30, 2022

Payment of the final tranche of the Doteco earn-out

In July 2022, in observance of the obligations related to the acquisition of the Doteco group, Piovan S.p.A. paid an earn-out to the sellers in the amount of Euro 1,018 thousand, calculated on the basis of 2021 Doteco group EBITDA, an amount that had already been foreseen and recognized in the financial statement.

Acquisition of minority interests in Progema and Studio Ponte

In July 2022, Piovan Group – through its subsidiary Penta S.r.l. ("Penta") – entered into two binding agreements for the purchase of the remaining 19% minority interest in the subsidiary Progema S.r.l. ("Progema") and the remaining 49% minority interest in Studio Ponte S.r.l. ("Studio Ponte"). With these acquisitions, Penta – and the Piovan Group indirectly – now controls 100% of these two companies. The operation falls within the scope of the Group's broader project aimed at streamlining the organization with the goal of increasing process efficiency following the acquisition of IPEG. In the second half of 2022, Penta is expected to merge Progema and Studio Ponte into its organization. Following this merger, the current management teams at Progema and Studio Ponte will remain in their roles in order to contribute to the growth of the Group.

Signing of the Patent Box agreement

On July 14, 2022, the Company signed an agreement with the Tax Agency's Veneto Regional Unit setting out calculation methods and criteria regarding the economic contribution to operating income from the intangible assets for the purposes of the Patent Box. The agreement concerns fiscal year 2018 and the four subsequent years.

Piovan S.p.A. obtained this facilitation with regard to the direct use of the company's own software, patents, and know-how that are interconnected by way of a requirement of complementarity. The same allows for a partial tax break on income resulting from the direct use of the Company's intangible assets, as defined by criteria to come out of discussions with the Tax Agency.

The income eligible for the tax break for 2018 totaled Euro 2.2 million, for tax savings of Euro 309 thousand, which will consequently be entered in the Periodic Financial Statement at 30 September 2022. The benefit for the subsequent years will be determined in the coming months.

Outlook

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

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

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

- the strengthening of the global leadership of the Piovan Group in automation solutions for the handling of plastic polymers and food powders;
- the consolidation of the Group competitive positioning in North America, where the Piovan Group has become the industry's largest player;
- an expansion of its presence in Mexico and Asia;
- growth of the Indian market;
- development of the best talent and human capital by way of the sharing of best practices between the two organizations.

In this regard, it should be noted that, in H1 2022, the Group began taking steps to prepare for integration of the two organizations, including the creation of working groups aimed at identifying the key areas of collaboration and defining the new organization – including with the support of an external advisory firm.

Although the Group's focus in 2022 is on reducing debt as a result of the above-mentioned operation, Piovan remains interested in companies with products/technologies that can expand the value chain served by the Group, and we will continue to assess potential opportunities for acquisitions and external growth.

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

For the Piovan Group, this European legislation represents an opportunity to sell technologies developed in recent years for the automation, processing and screening of recycled and biodegradable plastics.

In recent years the Group has in fact recorded patents related to recycling and has a technological advantage over its competitors. The company currently estimates that – based on H1 2022 – more than 20%[2] of revenues in the segments that make significant use of recycled plastics (mainly packaging, fibers and recycling) may be considered to be related to the circular economy.

Piovan is already engaged at various levels in the process of change and is committed to providing solutions to the market for a circular economy, particularly in researching and developing advanced innovative technologies - allowing customers to use recycled polymers and obtaining a quality product with low environmental impact, cutting CO_2 emissions and the consumption of scarce resources.

The Company looks to the future with cautious optimism given, considering the uncertainties surrounding the geopolitical and macroeconomic landscape as described above. The Piovan Group has a presence in many geographical areas and in a diverse range of industries, which will certainly mitigate the overall risk tied to the current crisis.

Order intake for the first six months of 2022 was strong, and the backlog at June 30, 2022 remains at a high level.

Despite these encouraging factors, there continue to be risks related to the ongoing supply-chain issues, which have prevented the Group from achieving the full potential made possible by the great value of orders in our backlog.

[2] *Excluding IPEG contribution*

The continuing high levels of inflation and the implementation of increasingly restrictive economic policies in terms of interest rates could also lead to a general economic slowdown in the coming months, although demand for new projects remains high at the moment.

Alternative performance measures

In this Directors' Report, various alternative performance measures or intermediary earnings measures are presented in order to permit a better assessment of operating performance and financial position. These measures, however, are not identified as an accounting measure within IFRS and therefore the criterion for their determination may not be uniform with other operators. Reference should be made to the "Annual Financial Report at December 31, 2021" which outlines the criteria used to construct these measures, with the exception of those illustrated below.

Taking into consideration the acquisition of the IPEG group in early 2022, it has been decided to supplement the alternative performance indicators monitored by the Group to include adjusted EBITDA, which, compared to reported EBITDA as calculated by the Group (and reported in the Annual Financial Report at December 31, 2021), is adjusted for non-core/non recurring costs, which may include:

a) costs for the restructuring and integration of consolidated companies and the offsetting of any provisions for restructuring and integration costs;
b) disposal of non-current assets;
    - disposals of assets related to discontinued operations;
    - transaction costs, fees and expenses incurred by Group companies for negotiations of acquisitions in progress or completed in the period, including taxes, notary costs, and contract registration costs.

Group operating performance

(amounts in €'000)	Economic performance indicators						Changes			
	First half-year 2022	% on total revenues and other income	First half-year 2022 (IPEG excluded)	% on total revenues and other income	First First half-year 2021	% on total revenues and other income	2022 vs 2021	%	2022 (IPEG excluded) vs 2021	%
Revenue	231,995	*97.5%*	*148,788*	*97.7%*	142,269	*97.5%*	89,726	*63.1%*	6,519	*4.6%*
Other revenue and income	6,058	*2.5%*	*3,508*	*2.3%*	3,657	*2.5%*	2,401	*65.6%*	(149)	*(4.1%)*
TOTAL REVENUE AND OTHER INCOME	**238,052**	*100.0%*	*152,295*	*100.0%*	**145,926**	*100.0%*	**92,126**	***63.1%***	6,369	*4.4%*
Adjusted EBITDA	**27,323**	*11.5%*	*21,025*	*13.8%*	**21,735**	*15.1%*	**5,588**	***25.7%***		
EBITDA	**26,710**	*11.2%*	*20,412*	*13.4%*	**23,274**	*15.9%*	**3,436**	***14.8%***	(2,862)	*(12.3%)*
OPERATING PROFIT	**18,582**	*7.8%*	*16,490*	*10.8%*	**19,723**	*13.5%*	**(1,141)**	***(5.8%)***	(3,233)	*(16.4%)*
PROFIT BEFORE TAXES	**21,481**	*9.0%*			**19,898**	*13.6%*	1,583	*8.0%*		
Income taxes	6,285	*2.6%*			5,244	*3.6%*	1,041	*19.9%*		
NET PROFIT	**15,196**	*6.4%*			**14,655**	*10.0%*	542	*3.7%*		
Attributable to:										
Owners of the parent	**15,057**	*6.3%*			**14,842**	*10.2%*				
Non-controlling interests	**139**	*0.1%*			**(187)**	*(0.1%)*				
Basic earnings per share	**0.30**				**0.29**					
Diluted earnings per share	**0.29**				**0.29**					

Revenue: In the first half of 2022, Piovan Group total revenue and other income amounted to Euro 238,052 thousand, increasing versus Euro 145,926 thousand in the first six months of 2021 (+63.1%).

Recognizing the effect of acquisition of the IPEG Group retroactively to January 1, 2022, the amount of total revenue and other income for the Piovan Group would have been Euro 252,323 thousand for the first six months of 2022.

Excluding revenues recognized by the IPEG Group, consolidated from February 1, 2022, total revenue and other income in the first six months of 2022 amounted to Euro 152,295 thousand, up 4.4% on the same period of 2021. It should be noted that revenues for H1 2021 include the positive impact of non-recurring revenue in the amount of Euro 1,539 thousand related to financing received in 2020 by U.S. subsidiary Universal Dynamic Inc. (hereinafter also "Unadyn") from the U.S. government under the Paycheck Protection Program ("US PPP Loan"), which was converted into a grant following approval by the issuing body. Excluding this effect, revenues for H1 2021 would have been Euro 144,387 thousand, implying an organic growth of 5.5%.

Revenue alone calculated on a like-for-like basis (i.e. at the average exchange rate for the first half of 2021) would have decreased by Euro 11,802 thousand at Euro 220,193 thousand and risen 54.8% compared to the first six months of 2021. On a like-for-like basis, the revenue item would amount to Euro 144,549 thousand, decreasing by approximately Euro 4,239 thousand. This difference was mainly due to a positive effect deriving from trends in the US Dollar.

EBITDA: EBITDA amounts to Euro 26,710 thousand, up on Euro 23,274 thousand for the same period of 2021 (+14.8%), a year that was helped by the conversion of the US PPP loan into a grant, as described above, and totaling Euro 21,735 thousand without this effect, , which brings the increase achieved in 2022 (+22.9%). The margin on total revenue went from 15.9% in 2021 (15.1% excluding the effect of the US PPP loan) to 11.2% in 2022, mainly due to the consolidation of the IPEG Group.

Excluding the contribution of the IPEG Group, EBITDA in the first half of 2022 would have been Euro 20,412 thousand, a decrease of 6.1% from the same period of 2021 excluding the effect of the US PPP loan, with a margin on total revenue of 13.4%, which is a slight decline from the previous year due mainly to a number of non-recurring costs incurred for the acquisition of the IPEG Group and certain overhead underabsorption resulting from the inability to recognize all the revenues on the material produced due to a lack of certain components. This phenomenon should be absorbed in the third and fourth quarters in the year with the completion of the related projects.

ADJUSTED EBITDA: Excluding the effect of non-recurring costs incurred during the period for the acquisition of the IPEG Group in the amount of Euro 613 thousand, adjusted EBITDA comes to Euro 21,025 thousand on an organic basis, with a margin on total revenue of 13.8%, which is a slight decline from the EBITDA of the first half-year 2021 adjusted for the revenue related to the US PPP loan (-3.3%). Adjusted EBITDA including the IPEG Group comes to Euro 27,323 thousand, with a margin on total revenue of 11.5%.

Recognizing the effect of acquisition of the IPEG Group retroactively to January 1, 2022, adjusted EBITDA for the Piovan Group would have been Euro 28,422 thousand for the first half of 2022, with a margin on total revenue for the period of 11.2%.

EBIT: EBIT totaled Euro 18,582 thousand, down from Euro 19,723 thousand in the same period of the previous year due to the combined effect of the integration of the IPEG Group and the organic growth of the Piovan Group, offset by the preliminary effects of the purchase price allocation (“PPA”), which alone included the recognition of amortization of intangible assets of Euro 3,142 thousand for the period. We expect that the amount of the amortization on a recurring basis will be equal to approximately USD 4.2 million (approximately Euro 3.8 million). The EBIT margin on total revenues and other income came to 7.8%, compared to 13.5% for the same period of the previous year. Excluding the effects of the PPA, EBIT would have been Euro 21,723 thousand, for a percentage on revenues of 9.1%.

NET PROFIT: The net profit was Euro 15,196 thousand, increasing on Euro 14,655 thousand for the same period of the previous year as a result of the effects described above, while also benefiting from Euro 3,346 thousand in currency effects during the period due to the performance of the exchange rate of the Dollar against the Euro, the Group’s functional currency. The margin on total revenue and other income was 6.4%. Excluding the effects of the PPA, net profit would have been Euro 17,490 thousand, for percentage on revenues of 7.3%.

Earnings per share was Euro 0.30 for the first half of 2022, compared to Euro 0.29 in the same period of the previous year.

Revenue by business segment and region

The breakdown of revenue by market is as follows:

	First half-year 2022	First half-year 2022 (IPEG excluded)	First half-year 2021	2022 vs 2021	%	2022 (IPEG excluded) vs 2021	%
Plastic	175,533	113,491	108,105	67,428	*62.4%*	5,386	*5.0%*
Food & non plastic	23,230	16,639	17,523	5,708	*32.6%*	(884)	*(5.0%)*
Services	33,231	18,658	16,641	16,591	*99.7%*	2,017	*12.1%*
Revenue	**231,995**	**148,788**	**142,269**	**89,726**	***63.1%***	**6,519**	***4.6%***

Revenue by business segment in the first six months of 2022 indicates that - on a like-for-like basis:

- Plastic Systems revenue increased 5.0%, driven by good performances in Europe and Asia, with the Packaging and Consumer & Technical sectors always very solid and the Automotive sector slightly recovering thanks to increased investment in new electric models.
- Food & Non-plastic Systems revenue, which tends to be more volatile than the Plastics area due to the nature of the business, remained essentially stable compared to the same period of the previous year (-5.0%), with a shift from the European market to the North American market.
- The Services market reported revenue growth of 12.1% on the same period of the previous year, in line with Group expectations.

For IPEG, the quarter saw good growth in orders and in revenues. The IPEG consolidation from February to June 2022 increased revenue in the Plastics area by approximately Euro 62,042 thousand, for combined growth of 62.4%, and in the Food & Non-plastics area by approximately Euro 6,591 thousand, for combined growth of 32.6%, concentrated mainly in North America.

The Services market benefitted from the IPEG contribution and accounted for 14.3% of the Group’s total revenue.

The breakdown of revenue by region is as follows:

	First half-year 2022	First quarter 2022 (IPEG excluded)	First quarter 2021	2022 vs 2021	%	2022 (IPEG excluded) vs 2021	%
EMEA	88,021	85,678	92,880	(4,859)	*(5.2%)*	(7,201)	*(7.8%)*
ASIA	19,823	16,745	15,869	3,954	*24.9%*	877	*5.5%*
NORTH AMERICA	116,871	39,482	26,720	90,151	*337.4%*	12,762	*47.8%*
SOUTH AMERICA	7,280	6,882	6,801	479	*7.0%*	81	*1.2%*
Revenue	**231,995**	**148,788**	**142,269**	**89,726**	***63.1%***	**6,519**	***4.6%***

Without the contribution of IPEG, revenue in North America increased by 47.8% (and accounted for 26.5% of total revenue) due mainly to the strong performance of the Food area and further driven by a positive impact of the EUR/USD exchange rate.

Growth in Asia, up 5.5% on a like-for-like comparison in terms of consolidated companies, reflects the start-and-stop nature of the recovery in the area due to lockdowns in response to COVID outbreaks.

The European and South American markets were impacted by a temporary slowdown as a result of component shipment and short-term raw material availability difficulties, which the company expects to be resolved during the year. Positive performances in these areas are therefore expected. In addition, the European market has been impacted by a reduced contribution of the Food & Non-plastic segment, where activity was focused mainly on the North American market in the first half of 2022.

Including IPEG, the North American market reached total revenue of Euro 116,871 thousand, equal to 50.4% of the total. IPEG's contribution in the EMEA markets and in Asia during the period of consolidation was Euro 2,343 thousand and Euro 3,078 thousand respectively.

Equity and Financial profile of the Group

The financial structure of the Piovan Group as at June 30, 2022, is summarized below.

Group net financial position

We present below the Net Financial Position (NFP) in the configuration foreseen by the Consob Call for Attention No. 5/21 of April 29, 2021, which implements the EMSA Guidelines 32-382-1138 of March 4, 2021.

€/000	30.06.2022	31.12.2021	30.06.2021
A. Cash	104,480	118,505	85,578
B. Cash equivalents	-	-	-
C. Other current financial assets	1,525	1,589	4,131
D. Liquidity (A+B+C)	**106,005**	**120,093**	**89,708**
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	(31,044)	(31,448)	(29,230)
F. Current portion of non-current financial debt	(26,578)	(20,584)	(16,457)
G. Current financial indebtedness (E+F)	**(57,623)**	**(52,031)**	**(45,687)**
H. Net current financial indebtedness (G-D)	**48,382**	**68,062**	**44,021**
I. Non-current financial debt (excluding current portion and debt instruments)	(142,465)	(41,920)	(39,317)
J. Debt instruments	-	-	-
K. Non-current trade and other payables	(23,541)	(2,416)	(2,266)
L. Non-current financial indebtedness (I+J+K)	**(166,006)**	**(44,336)**	**(41,583)**
M. Total net financial position (H+L)	**(117,624)**	**23,726**	**2,438**

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

- regarding provisions, see Note [17] – Employee benefit plans and Note [18] – Provisions for risks and charges, which include sums of this type;
- regarding bank guarantees, see the section “Commitments and Risks”;
- the Company has also recognized liabilities for options granted to minority shareholders in the amount of Euro 741 thousand (see Note [19]).
- the Company has also recognized the deferred portion of the purchase price for the acquisition of Doteco S.p.A., in the amount of Euro 1,018 thousand, among “Other current liabilities”. This amount was however settled in July 2022. For more information, see Note [24];
- commitments related to lease agreements that are not recognized as liabilities in accordance with IFRS 16 total approximately Euro 2,551 thousand.

The Group reported net debt at June 30, 2022, of Euro 117,624 thousand, which was mainly affected by completion of the acquisition of the IPEG Group, for which a loan of Euro 100 million was obtained. Excluding the effects of the application of IFRS 16, the consolidated net financial position at June 30, 2022 would be negative for Euro 97,485 thousand (vs. Euro 34,940 thousand net cash at December 31, 2021, and Euro 12,811 thousand at June 30, 2021 net cash).

Non-current trade and other payables include the fair value measurement of the earn-out in the amount of USD 21.8 million (Euro 21.0 million at June 30, 2022, equal to its maximum contractual value) that is expected to be paid in 2024 to the selling shareholders in IPEG Inc. in accordance with contractual obligations.

Capital expenditure in the first half of 2022 was Euro 1,581 thousand (Euro 834 thousand in the first half of 2021), of which non-recurring Euro 169 thousand.

The financial position includes medium/long-term loans, mainly relating to the Parent Company and almost entirely subscribed in Euro, for Euro 152.1 million, of which Euro 26.3 million repayable within 12 months and the remaining Euro 125.8 million long-term.

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

This loan calls for the Group to meet a series of financial and non-financial covenants in line with market practice, particularly in relation to the debt-to-EBITDA and equity-to-EBITDA ratios (as defined in the related agreement). Are to be tested on a semi-annual basis. The first measurement is set for December 31, 2022.

Net non-current assets

Net non-current assets represented by property, plant and equipment, intangible assets and equity investments, amounted to Euro 217,754 thousand, as a combined effect of amortization and depreciation in the period, capex and the effects from the acquisition of the IPEG Group on January 31, 2022 (particularly with regards to intangible assets).

Net non-current assets (amounts in €'000)	**At 30st June 2022**	**At 31st December 2021**	**At 30st June 2021**
Property, plant and equipment	66,338	52,854	51,430
Intangible assets	140,532	26,192	27,064
Equity investments	10,884	237	204
Net non-current assets	**217,754**	**79,284**	**78,698**

At December 31, 2021, as a result of the first application of IFRS 16 – Lease, the Group had recognized leased assets with a net carrying value of Euro 16,059 thousand. At June 30, 2022, the net carrying value of right-of-use assets amounted to Euro 24,687 thousand. The increase from December 31, 2021, is due mainly to the net effect of the consolidation of the IPEG Group, which had an impact on this aggregate of Euro 9,080 thousand.

Investments

Total investments for the period, not including the acquisition of the IPEG Group, came to Euro 1,581 thousand. Non-recurring investments totaled Euro 169 thousand and concern mainly the purchase of land by FEA, a Piovan Group company, as part of the expansion of its production facility and the initial investments for the construction of the new factory in China.

Net trade capital and net working capital

Net working capital for the period ended June 30, 2022, was as follows:

Net working capital (amounts in €'000)	At 30st June 2022	At 31st December 2021	At 30st June 2021
Trade receivables	76,137	55,390	56,685
Inventories	90,852	44,540	37,402
Contract assets for work in progress	6,711	4,519	6,415
Trade payables	(69,262)	(50,022)	(41,756)
Advance from customers	(45,856)	(31,042)	(24,338)
Contract liabilities for work in progress	(3,696)	(8,174)	(4,127)
Net trade capital	**54,886**	**15,211**	**30,280**
Tax receivables	7,472	4,517	3,515
Other current assets	15,779	5,290	6,901
Tax liabilities and social security contributions	(8,778)	(8,531)	(7,876)
Other current liabilities	(28,293)	(17,309)	(20,736)
Net working capital	**41,066**	**(821)**	**12,084**

Net working capital increased from December 31, 2021, by Euro 41,887 thousand, essentially due to the consolidation of the IPEG Group. Excluding this change, net working capital would have been Euro 14,896 thousand, substantially in line with June 2021.

Medium/long term liabilities

(amounts in €'000)	At 30st June 2022	As at 31th December 2021	At 30st June 2021
Liabilities for employee benefits plans	6,468	6,512	6,475
Provision for risks and charges	5,155	2,681	3,701
Other non-current liabilities	23,541	2,416	2,266
Deferred tax liabilities	19,110	505	2,772
Medium/long-term liabilities	**54,275**	**12,114**	**15,213**

At June 30, 2022, medium/long-term liabilities increased Euro 42,161 thousand on the previous year.

The most significant changes may be attributed to consolidation of the IPEG Group and related financial effects as of the acquisition date, such as the allocation of deferred taxes on the value of the intangibles arising from the provisional purchase price allocation for a total of Euro 17,799 thousand, the recognition of a payable for the earn-out, related to this acquisition, in the amount of Euro 19,362 thousand, and the inclusion of provisions for risks and charges in the amount of Euro 1,892 thousand.

Research and development

In H1 2022, the Piovan Group, including the contribution of the IPEG Group, incurred research and development expenses amounting to 3.8% of total revenues and other income (Euro 9,035 thousand compared to Euro 4,904 thousand in H1 2021). In H1 2022, Euro 8,442 thousand concerned cost of personnel operating in R&D and engineering, entirely expensed to the income statement, for the execution of complex and innovative projects. The scale of this commitment to investment in research and development is a clear demonstration of the Group's unwavering desire to position itself as a supplier of solutions, and not merely of machinery or systems. This desire has always set the Group apart and, over the years, has given it a strong market positioning. The Group is defined, in fact, by a range of products that are constantly being updated, thanks to research and development activity carried out in collaboration with its customers, an aspect which is of fundamental importance in the initial phase of the development of customer-specific solutions. The Group's competitive position is linked to constant improvement and investments in technology and processes.

For some years, the Piovan Group has been active in promoting industrial change towards a circular economy, working on various levels, continually innovating its services, paying maximum attention to technologies used to manufacture recycled plastics and biopolymers.

OTHER INFORMATION

Human Resources

Workforce

During the first half of 2022, the Group employed an average of 1,730 people, compared to 1,158 in the first half of 2021. The increase of 572 employees is mainly due to the change in consolidated companies as a result of the acquisition of IPEG.

The distribution of operating personnel by category was as follows:

	First half-year 2022		First half-year 2021	
	period end	average	period end	average
Managers	38	36	30	29
Junior managers	107	109	70	72
White collars	1,020	1,000	671	663
Blue collars	591	585	394	394

	First half-year 2022		First half-year 2021	
	period end	average	period end	average
Total	**1,756**	**1,730**	**1,165**	**1,158**

Transactions with parent companies, subsidiaries and associated companies

There were numerous inter-company transactions carried out in the ordinary course of business and at normal market conditions.

Inter-company transactions are inherent in the organization structure of the Group. These relationships concern both commercial activities (subsidiaries of Piovan S.p.A. and established in various countries which distribute the products of the Group as agents or as distributors), and production activities (subsidiaries of Piovan S.p.A. which, producing certain types of systems, supplement the Piovan S.p.A. product range or offering the same range to clients selling or acquiring machines to or from Piovan S.p.A.), as well as participation in the national tax consolidation by the Italian companies Piovan S.p.A., Aquatech S.r.l. and Penta S.r.l. with the parent company Pentafin S.p.A.

There are also financial transactions between the companies belonging to the Group, which are also carried out in the normal course of business and at normal market conditions, while there are no transactions that can be considered atypical.

For further information, reference should be made to the “Other information on the Condensed Consolidated Half-Year Financial Statements” section of the Explanatory Notes.

Related party transactions

The “Regulation containing the provisions concerning related party transactions”, adopted by Consob with motion No. 17221 of March 12, 2010, amended with motion No. 17389 of June 23, 2010, enacted Article 2391-*bis* of the Civil Code.

On December 11, 2020, Consob announced its approval of the regulatory amendments necessary to bring secondary legislation into line with the second European Shareholder Rights Directive 2. The amendments also affected, among other matters, the Related Party Transactions Regulation; the Company therefore undertook the necessary activities to adjust its own Related Party Transactions Policy (hereinafter “RPT Policy”), adopted by the Company on November 12, 2018, in order to ensure its compliance by the end of the transition period set for June 30, 2021.

On June 23, 2021, the Board of Directors passed a resolution to approve the revised RPT Policy in order to adapt it to the latest RPT Rules, as amended by CONSOB with Resolution No. 21624 of December 10, 2020.

The identification of transactions with related parties is undertaken in accordance with the afore-mentioned Consob regulation.

The company, in addition to the inter-company transactions commented upon above, also undertakes transactions with other related parties principally relating to persons that exercise administration and management functions in Piovan S.p.A., or entities controlled by such parties. These mainly concern commercial transactions and are carried out as part of the ordinary operations and at normal market conditions, as well as participation in the tax consolidation with the parent company Pentafin S.p.A.

Transactions with related parties are commented upon in the consolidated financial statements at Note 41, to which reference should be made for further information.

Disclosure by operating segment

IFRS 8 - Operating segments defines an operating segment as a component (i) involving business activities generating revenues and costs, (ii) whose operating results are reviewed periodically at the highest decision-making level and (iii) for which separate financial data is available.

The information analyzed by the Board of Directors, which constitutes the highest decision-making level for strategic decisions, the allocation of resources and the analysis of results, identified a single operating segment

In fact, the Group structure identifies a strategic and singular vision of the business and this representation is consistent with the manner in which management takes its decisions, allocates resources and defines the communication strategy. Dividing the business into separate divisions is therefore currently viewed as detrimental to its economic interests.

Therefore, the information required by IFRS 8 corresponds to that presented in the consolidated income statement. The breakdown of consolidated revenues by region and by product line is therefore reported by market (Plastic/Food & non plastic/Services).

Principal risks and uncertainties to which the Group is exposed

The Group's activities are exposed to a series of financial and operating risks that could affect its equity and financial position, the result for the period and cash flows through the related impact on financial instruments in place.

These risks may be summarized as follows:

a) credit risk;

b) liquidity risk;

c) market risk (foreign exchange risk, interest rate risk and other price risks).

Overall responsibility for the creation and supervision of the Group's financial and operating risk management system lies with the Board of Directors. The various organization units functionally responsible for the operational management of each type of risk report to the Board of Directors.

Under guidelines issued by the Board of Director and for each specific risk, these units define the tools and techniques to cover the risks and/or transfer them to third parties (insurance) and evaluate risks neither covered nor insured.

For a closer analysis on the risks to which the Group is exposed, reference should be made to the Annual Financial Report at December 31, 2021, as there have been no changes with regards to that indicated concerning the risks to which the Group is exposed and their management.

The environment and personnel

The Group carries out work with no potential negative impact on the region and the environment. It always, however, seeks to operate in accordance with best practices, working towards risk prevention and the reduction and minimization of its environmental impact. The Piovan Group also places great importance on the safety of its workers, and is committed to spreading the culture of safety within the Group and the various local organizations.

Atypical and/or unusual transactions

There were no significant atypical and/or unusual transactions concerning the Piovan Group in the first half of 2022.

Off-balance sheet agreements

The Group does not have Off-balance Sheet agreements, with the exception of what indicated in the Explanatory Notes.

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH ENDED JUNE 30, 2022

Consolidated financial statements at June 30, 2022

Consolidated statement of equity and financial position (thousands of Euro)

ASSETS	Notes	30.06.2022	31.12.2021
NON-CURRENT ASSETS			
Property, plant and equipment	**Note 1**	66,338	52,854
- of which related parties	***Note 39***	*264*	*174*
Intangible assets	**Note 2**	140,532	26,192
Equity investments	**Note 3**	10,884	237
Other non-current assets	**Note 4**	416	505
Deferred tax assets	**Note 5**	8,107	6,197
TOTAL NON-CURRENT ASSETS		**226,276**	**85,985**
CURRENT ASSETS			
Inventories	**Note 6**	90,852	44,540
Contract assets for work in progress	**Note 7**	6,711	4,519
Trade receivables	**Note 8**	76,137	55,390
- of which related parties	***Note 39***	*265*	*184*
Current financial assets	**Note 9**	1,525	1,589
Tax receivables	**Note10**	7,472	4,517
Other current assets	**Note 11**	15,779	5,290
- of which related parties	***Note 39***	*23*	*23*
Cash and cash equivalents	**Note 12**	104,480	118,505
TOTAL CURRENT ASSETS		**302,955**	**234,350**
TOTAL ASSETS		**529,232**	**320,335**

LIABILITIES AND EQUITY	Notes	30.06.2022	31.12.2021
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**	(2,208)	(2,250)
Translation reserve	**Note 13**	8,032	(1,104)
Other Reserves and retained earnings	**Note 13**	88,672	64,811
Net profit (loss)	**Note 13**	15,057	28,347
Equity attributable to the owners of the parent		**116,753**	**97,004**
Equity attributable to non-controlling interests	**Note 15**	1,491	1,447
TOTAL EQUITY		**118,244**	**98,451**
NON-CURRENT LIABILITIES			
Long-term loans	**Note 16**	125,570	32,479
Non-current financial liabilities	**Note 16**	16,895	9,440
- of which related parties	***Note 39***	*210*	*121*
Employee benefits plans	**Note 17**	6,468	6,512
Provision for risks and charges	**Note 18**	5,155	2,681
Non current liabilities for options granted to non-controlling interest	**Note 19**	-	-
Other non-current liabilities	**Note 20**	23,541	2,416
- of which related parties	***Note 39***	*358*	*496*
Deferred tax liabilities	**Note 5**	19,110	505
TOTAL NON-CURRENT LIABILITIES		**196,740**	**54,033**
CURRENT LIABILITIES			
Current portion of long-term loans	**Note 16**	26,578	20,584
Current bank loans and borrowings	**Note 16**	26,530	29,001
Current financial liabilities	**Note 16**	4,514	2,447
- of which related parties	***Note 39***	*62*	*56*
Trade payables	**Note 21**	69,262	50,022
- of which related parties	***Note 39***	*718*	*955*
Advance from costumers	**Note 22**	45,856	31,042
Contract liabilities for work in progress	**Note 7**	3,696	8,174
Current liabilities for options granted to non-controlling interests	**Note 19**	741	741
Tax liabilities and social security contributions	**Note 23**	8,778	8,531
Other current liabilities	**Note 24**	28,293	17,309
- of which related parties	***Note 39***	*5,882*	*2,727*
TOTAL CURRENT LIABILITIES		**214,248**	**167,851**
TOTAL LIABILITIES		**410,988**	**221,884**
TOTAL LIABILITIES AND EQUITY		**529,232**	**320,335**

Consolidated statement of profit and loss
(thousands of Euro)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS	Notes	30.06.2022	30.06.2021 (*)
Revenue	**Note 25**	231,995	142,269
- of which related parties	***Note 39***	*116*	*318*
Other revenue and income	**Note 26**	6,058	3,657
- of which related parties		-	-
TOTAL REVENUE AND OTHER INCOME		**238,053**	**145,926**
Costs of raw materials, components and goods and changes in inventories	**Note 27**	105,670	60,075
- of which related parties	***Note 39***	*1,379*	*1,152*
Services	**Note 28**	48,589	27,593
- of which related parties	***Note 39***	*861*	*702*
Personnel expenses	**Note 29**	55,634	33,408
- of which related parties	***Note 39***	*777*	*387*
Other expenses	**Note 30**	1,451	1,577
Amortisation and depreciation	**Note 31**	8,128	3,551
- of which related parties	***Note 39***	*36*	*36*
TOTAL COSTS		**219,471**	**126,203**
OPERATING PROFIT		**18,582**	**19,723**
Financial income	**Note 32**	386	192
Financial Expenses	**Note 32**	(1,380)	(367)
- of which related parties	***Note 39***	*1*	*1*
Net exchange rate gain (losses)	**Note 33**	3,346	240
Gains (losses) on liabilities for option granted to non controlling interests	**Note 34**	-	-
Profit (losses) from equity investments carried at equity	**Note 35**	547	111
PROFIT BEFORE TAXES		**21,481**	**19,898**
Income taxes	**Note 36**	6,285	5,244
NET PROFIT		**15,196**	**14,655**
ATTRIBUTABLE TO:			
Owners of the parent		15,057	14,842
Non-controlling interests		139	(187)
Earnings per share			
Basic earnings per share (in Euros)	**Note 14**	**0.30**	**0.29**
Diluted earnings per share (in Euros)	**Note 14**	**0.29**	**0.29**

(*) Data restated following the merging of the items "Costs for use of third party assets" and "Provisions for risks and charges" within the items “Service costs" and "Other operating costs", respectively.

Consolidated statement of comprehensive income
(thousands of Euro)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Note	30.06.2022	30.06.2021
Net profit		**15,196**	**14,655**
Items that may be subsequently reclassified to profit or loss:		-	-
- Exchange rate differences		9,141	1,347
Items that may not be subsequently reclassified to profit or loss:		-	-
- Actuarial gains (losses) on employee benefits net of the tax effect		-	-
- Actuarial gains on agents' termination benefits net of the tax effect		-	-
Total Comprehensive income		**24,337**	**16,002**
attributable to:		-	-
- Owners of the parent		24,198	16,189
- Non-controlling interests		139	(187)

Consolidated statement of cash flows
(thousands of Euro)

Consolidated Statement of Cash Flow	30.06.2022	30.06.2021
OPERATING ACTIVITES		
Net profit	***15,196***	***14,655***
Adjustments for:	-	-
Amortisation and depreciation	8,128	3,551
Inventory write-down and bad debt provision	701	1,230
- Net non-monetary financial charges	-	-
- Net non-monetary financial (income)	-	48
Change in provisions for risks and charges and employee benefits liabilities	267	(59)
Net capital (gains) losses on sale of fixed assets and equity investments	-	(19)
- Unrealized currency exchange gain (or loss)	(3,342)	-
Investment equity valuation	(547)	(51)
Other non-monetary variations	(459)	(1,563)
Taxes	6,285	5,244
Cash flows from operating activities before changes in net working capital	**26,229**	**23,034**
(Increase)/decrease in trade receivables	3,784	(14,910)
- of which related parties	*(81)*	*(319)*
Increase in inventories	(13,328)	(450)
(Increase)/decrease in other current assets	(5,630)	(3,815)
- of which related parties	-	-
Increase/(decrease) in trade payables	(1,053)	1,605
- of which related parties	*(237)*	*467*
Increase/(decrease) in advance from customers	(3,170)	4,917
Increase/(decrease) in other current liabilities	(5,322)	(3,016)
- of which related parties	*3,155*	*2,713*
(Increase)/decrease in non-current assets	(211)	14
Increase/(decrease) in non-current liabilities	1,855	2,176
Income taxes paid	(5,915)	(1,524)
CASH FLOWS FROM OPERATING ACTIVITIES (A)	**(2,761)**	**8,033**
INVESTING ACTIVITIES	-	-
Investments in property, plant and equipment	(1,281)	(514)
Investments in intangible assets	(175)	(321)
Disinvestments/(investments) in financial assets	(0)	967
Deferred price from the acquisition of controlling interest	-	(715)
Business combinations net of the acquired cash	(99,965)	-
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	**(101,422)**	**(582)**
FINANCING ACTIVITIES	-	-
Issuance of bank loans	109,688	373
Repayment of bank loans	(10,480)	(7,758)
Change in current bank loans and borrowings	(2,471)	5,696
Repayment of bonds		
Increase/(decrease) in other financial liabilities	(1,325)	(908)
- of which related parties	*95*	*(783)*
Dividends paid	(5,193)	(6,721)
CASH FLOWS USED IN FINANCING ACTIVITIES (C)	**90,219**	**(9,318)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	**(13,964)**	**(1,867)**
EFFECT OF EXCHANGE RATE CHANGES ON BALANCE OF CASH HELD IN FOREIGN CURRENCY	**(61)**	**(8)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (E)	**118,505**	**87,452**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (G=D+E+F)	**104,480**	**85,578**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(13,964)**	**(1,867)**
INTERESTS PAID	**360**	**215**

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 attributable to the owner of the parent	Equity attributable to the owners of the parent	Equity attributable to non-controlling interests	TOTAL EQUITY
Balance at Jan, 1st, 2021	**6,000**	**1,200**	**(2,250)**	**(3,756)**	**53,576**	**17,643**	**72,414**	**2,219**	**74,632**
Allocation of prior year profit	-	-	-	-	17,643	(17,643)	-	-	-
Distribution of dividends	-	-	-	-	(6,621)	-	(6,621)	(100)	(6,721)
Incentive plans	-	-	-	-	264	-	264	-	264
Reclassification	-	-	-	(2)	-	-	(2)	2	-
Total comprehensive income	-	-	-	1,348	-	14,842	16,190	(187)	16,002
Balance at June 30th, 2021	**6,000**	**1,200**	**(2,250)**	**(2,410)**	**64,862**	**14,842**	**82,244**	**1,933**	**84,177**

	Share Capital	Legal reserve	Treasury shares	Translation reserve	Other reserves and retained earnings	Profit for the year attributable to the owner of the parent	Equity attributable to the owners of the parent	Equity attributable to non-controlling interests	TOTAL EQUITY
Balance at Jan, 1st, 2022	**6,000**	**1,200**	**(2,250)**	**(1,104)**	**64,811**	**28,347**	**97,004**	**1,447**	**98,451**
Allocation of prior year profit	-	-	-	-	28,347	(28,347)	-	-	-
Distribution of dividends	-	-	-	-	(5,093)	-	(5,093)	(100)	(5,193)
Incentive Plan	-	-	-	-	222	-	222	-	222
Gain from share disposal			42		386		428		428
Change in non-controlling interests	-	-	-	(5)	-	-	(5)	5	-
Total comprehensive income	-	-	-	9,141	-	15,057	24,198	139	24,337
Balance at June 30th, 2022	**6,000**	**1,200**	**(2,208)**	**8,032**	**88,672**	**15,057**	**116,753**	**1,491**	**118,244**

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 Industria 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.

At June 30, 2022, the Group encompassed 44 production, service and commercial companies, including 14 production sites, on 4 continents.

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 this Consolidated Half-Year Financial Report at June 30, 2022, which is made available to the public.

The Consolidated Half-Year Financial Report at June 30, 2022 was prepared as per Article 154-ter of Legislative Decree 58/98 and subsequent amendments, in addition to the Consob’s Issuers’ Regulation.

The Report includes the results of the parent company and of its subsidiaries.

Content, form and criteria for the preparation of the Condensed Consolidated Half-Year Financial Statements at June 30, 2022.

The Condensed Consolidated Half-Year Financial Statements of the Piovan Group at June 30, 2022 have been drawn up in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission in accordance with the procedure laid down by Article 6 of Regulation (EC) No. 1606/2002 of the European Parliament and Council dated July 19, 2002.

In summary, the Condensed Consolidated Half-Year Financial Statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”.

The financial statement tables are the same as those adopted for the Annual Financial Report at December 31, 2021. Comparison is made with the statement of financial position at December 31, 2021 and with the statement of profit and loss and statement of comprehensive income, to the statement of cash flow and the statement of changes in equity for the first half of 2021, appropriately restated, where necessary to allow a better comparison in the face of changes subsequently occurred in the presentation.

The Condensed Consolidated Half-Year Financial Statements 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 were prepared on a going-concern basis. The Group, in accordance with paragraphs 25 and 26 of IAS 1, considers - also in view of its strong competitive positioning, its high profitability and the solidity of its balance sheet and financial position - that there are no financial, operational, or other indicators that could point to uncertainties surrounding the Group’s ability to meet its obligations for the next 12 months or for the foreseeable future.

The Notes, in accordance with IAS 34, are reported in condensed format and do not include all the disclosures required for annual accounts, as they refer exclusively to those items which, for amount, composition or variation, are essential for the full understanding of the interim financial situation and results of the Group. Therefore, these Condensed Consolidated Half-Year Financial Statements should be read together with the Annual Financial Report at December 31, 2021.

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

These Condensed Consolidated Half-Year Financial Statements are presented in thousands of euro. 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 the Condensed Consolidated Half-Year Financial Statements requires management to make estimates and assumptions which have an impact on the amounts reported in the financial statements and the relative explanatory notes; actual results may differ from the estimates made.

COVID-19 impacts

The COVID-19 pandemic, which spread around the globe in 2020, has continued into 2021 and also 2022. As noted, this emergency - and above all the lockdown policies imposed by various governments - have had widespread repercussions in many sectors of the world economy. The medium-term outlook is gradually improving thanks to the beginning of the vaccination campaigns in 2021 in various nations, although the macroeconomic landscape continues to feature a great deal of uncertainty due to new waves and variants of the virus, as cases are on the rise in many countries.

The Group has a presence in many geographical areas and in a diverse range of industries. This has therefore made it possible, as previously indicated, to mitigate the overall risk.

In H1 2022, all Piovan Group companies remained fully operative, having adopted measures and protocols to protect employees as per applicable local regulations.

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

The backlog at June 30, 2022 continues to reflect the strong order intake in the initial months of 2022. The Group is therefore optimistic about the future, a view supported, in part, by completion of the current vaccine roll-out, the safety protocols put in place at all facilities, and assuming there is no worsening in the spread of the COVID-19 virus, which could have consequences that cannot currently be foreseen.

Impacts of the Russia-Ukraine Conflict

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

The Group’s exposure to the areas involved is limited in relation to total operations. Based on the H1 2022 figures, and including the recent acquisition of IPEG, Inc., consolidated revenue generated by the Group in Russia, Belarus and Ukraine is 0.2% of the total.

Nevertheless, indirect conquences of the Russia-Ukraine conflict may indicate that one or more impairment indicators exist. For the Half-Year Financial Report, management therefore made assessments in this regard. As a result of this test, with regards to the Group overall, management did not identify indicators of impairment, taking account of the fact that (i) even considering the negative trend of stock market trends, which also influenced piovan stock prices the company’s stock market capitalization at June 30, 2022 remains comfortably above the book value of the consolidated shareholders’ equity at the same date, (ii) the order portfolio maintains on good levels, in line with the Group’s usual volumes, (iii) the net financial position was not impacted by the altered general economic environment and the new loan agreement signed forsee the payment of fixed-rate interest, (iv) the performances in the first half of the year were very strong, both in terms of revenues and margins.

Taking the above into account, it was also not deemed necessary to carry out a new impairment test with reference to the CGU's to which goodwill was allocated, since the assessments made with reference to December 31, 2021 are substantially confirmed, with the exception of the Toba CGU, but for reasons not related to the conflict, as explained below.

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

Consolidation scope

The Condensed Consolidated Half-Year Financial Statements of the Piovan Group include the equity and operating situations of the Parent Company and its 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 exists.

Note [41] Other information in the Notes outlines the companies included in the consolidation scope at June 30, 2022.

Basis of Consolidation

The consolidation criteria adopted to prepare these Condensed Consolidated Half-Yearly Financial Statements are the same as those adopted and reported in the Annual Financial Report at December 31, 2021.

The company decided not to proceed with the line-by-line consolidation of some investments in subsidiaries as they are not considered significant either individually or collectively and their 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 company decided not to proceed with the line-by-line consolidation of the subsidiary CMG America Inc., held 100%, as considered immaterial and as their 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.

Acquisitions and corporate transactions

Acquisition of IPEG Inc.

On January 31, 2022, and in line with the preliminary agreement signed on December 13, 2021, Piovan S.p.A. completed the acquisition of IPEG, Inc., which took place through the merger of

Sewickley Capital, Inc., owner of 100% of IPEG, Inc., into a newly incorporated company in Delaware, Piovan North America LLC., wholly-owned by Piovan.

IPEG, Inc. is a Delaware-based company active in industrial automation for the transport and processing of polymers and in the production of industrial chillers, with operations and subsidiaries in the United States, India, Mexico, Germany, China, Taiwan and Singapore. The company operates through four main brands - Conair, Thermal Care, Pelletron and Republic Machine. IPEG operates four plants in the US and one in India through the Nu-Vu Conair JV.The amount to be paid for the acquisition was set at USD 152,304 thousand, USD 130,723 thousand of which was paid on the closing date. The remaining USD 21,802 thousand was recognized among other non-current liabilities for the earn-out to be paid in 2024 upon reaching certain group EBITDA growth targets over the period 2021-2023. Given that the achievement of these targets is currently considered probable, management considered this amount to be a part of the acquisition payment and has therefore recognized the liability towards the sellers.

Upon completing the acquisition, and to protect the interests of the Group, a portion of the acquisition price paid to the selling shareholders, in the amount of approximately USD 15,000 thousand, was deposited in escrow accounts in order to meet the obligations resulting from the price adjustment mechanisms (for USD 10,000 thousand) and contingent liabilities identified during the due diligence process (for about USD 5,000 thousand).

In January 2022, in order to complete this acquisition, a 6-year Euro 100 million fixed-rate loan bearing annual interest of 1.335% was obtained.

The loan agreement calls for a grace period and the start of principal payments from April 2023 and also establishes certain covenants that must be verified on a semi-annually basis beginning on December 31, 2022.

It should be noted that the acquisition has been determined considering a currency exchange rate Eur/USD equal to 1.1295.

The Piovan Group is considered to have gained control on January 31, 2022; therefore, the related financials have been included on the consolidated financial statements as of that date.

Given that the assets and liabilities acquired represent a business, the transaction is considered to be a business combination as defined by IFRS 3.

The purchase price allocation is not yet considered definitive, as allowed by IFRS 3, in consideration of the fact that certain information is still being analyzed.

The assets acquired and the liabilities assumed by Piovan at the acquisition date as a result of this transaction are as follows:

EUR/000	Fair Value at the acquisition date
Assets	
Property Plant & Equipement	13,325
Intangible assets	62,873
Investments	9,545
Deferred tax assets	886

EUR/000	Fair Value at the acquisition date
Inventories	29,605
Contract assets for work in progress	2,329
Trade Receivables	20,604
Tax credit	699
Other current assets	4,360
Cash and cash equivalent	16,132
TOTAL ASSETS	**160,356**
Liabilities	
Provision for risk	1,892
Other financial liabilities	9,215
Trade payables	18,318
Advances from customers	15,708
Tax liabilities and social security contributions	54
Other current liabilities	7,768
Deferred tax liabilities	17,799
TOTAL LIABILITIES	**70,755**
Fair value of net assets acquired	**89,601**
Goodwill acquired	**45,660**
Purchase price	**135,261**

The considerations made in the initial consolidation, as more fully outlined in the "Periodic Financial Statements at March 31, 2022" resulted in a provisional allocation to goodwill of the entire difference between the consideration paid and the book value of the assets acquired and the liabilities assumed. These considerations have been updated in the preparation of the Half-Year Financial Report at June 30, 2022, also on the basis of a specific analysis prepared by an independent expert. As allowed by IFRS 3, the final recognition of the fair values of the assets and liabilities of the acquired companies will be completed within 12 months from the acquisition date.

In the Consolidated Half-Year Financial statement at June 30, 2022 the difference between the price paid, the assets acquired and the liabilities assumed was therefore provisionally allocated for USD 70,967 thousand (Euro 63,026 thousand) to finite useful life intangible assets (customer list, im primis, know-how and brands), to deferred taxes for USD 19,161 thousand (Euro 17,017 thousand), and to Goodwill for the remaining USD 51,413 thousand (Euro 45,660 thousand).

Because the measurement process is still under way, there could be certain differences between the provisional allocation for the purpose of preparing the figures for H1 2022 and the effects that will come out of the definitive allocation.

Net cash flows from the acquisition are as follows:

	EUR (000)
IPEG Group net cash at 01.02.2022	16,132
Purchase price already paid	116,097
Net cash flow	**(99,965)**

From the acquisition date to June 30, 2022, the IPEG Group realized revenue of Euro 85,758 thousand and net profit of Euro 4,633 thousand, including the portion of amortization for H1 2022 related to the intangible assets to emerge out of the provisional purchase price allocation process.

Had the IPEG group been fully consolidated from January 1, 2022, consolidated revenue of the Piovan Group for 2022 would have been Euro 252,323 thousand. In January 2022, the IPEG Group incurred non-recurring costs for the acquisition of approximately Euro 3,643 thousand.

Main accounting policies applied

In the preparation of these Condensed Consolidated Half-Yearly Financial Statements, the accounting standards and policies adopted are those as utilized in the preparation of the Consolidated Financial Statements as at December 31, 2021. In addition, with regards to the accounting standards applicable from January 1, 2022, and indicated in the Annual financial report at December 31, 2021, no significant impacts were reported.

IFRS accounting standards, amendments and interpretations applicable to the Company and applied from January 1, 2022

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group from January 1, 2022:

On May 14, 2020, the IASB published the following amendments:

o amendments to IFRS 3 Business Combinations: the purpose of the amendments is to update the reference in IFRS 3 to the revised version of the Conceptual Framework, without changing the provisions of the standard.

o amendments to IAS 16 Property, Plant and Equipment: the purpose of the amendments is not to allow the amount received from the sale of goods produced during the testing phase of the asset to be deducted from the cost of the asset. These sales revenues and related costs will therefore be recognized to the statement of profit or loss.

o amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: the amendment clarifies that in estimating the possible onerousness of a contract, all costs directly attributable to the contract must be considered. Accordingly, the assessment of whether a contract is onerous includes not only incremental costs (such as the cost of direct material used in processing), but also all costs that the enterprise cannot avoid because it has entered into the contract (such as, for example, the share of depreciation of machinery used to perform the contract).

o annual Improvements 2018-2020: the amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases.

All the amendments entered into force as of January 1, 2022. The adoption of these documents does not have any effects on the Group consolidated financial statements.

IFRS and IFRIC standards, amendments and interpretations approved by the European Union, not yet mandatory and not adopted in advance by the Company at June 30, 2022

On May 18, 2017, the IASB published IFRS 17 - Insurance Contracts which replaces IFRS 4 - Insurance Contracts.

The new standard ensures that an entity provides pertinent information which accurately presents the rights and obligations under insurance contracts. The IASB developed the standard in order to eliminate inconsistencies and weaknesses in the existing accounting policies, providing a single principle-based framework to take account of all types of insurance contracts, including reinsurance contracts held by an insurer.

The new standard sets out in addition presentation and disclosure requirements to improve comparability between entities belonging to the same sector.

The standard is effective from January 1, 2023, although advance application is permitted, only for entities applying IFRS 9 – Financial Instruments and IFRS 15 - Revenue from Contracts with Customers.

The Directors do not expect this standard to have a significant impact on the Group consolidated financial statements.

On February 12, 2021, the IASB published two amendments entitled "Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2" and "Definition of Accounting Estimates—Amendments to IAS 8". The changes are intended to improve disclosure on accounting policies to provide more useful information to investors and other primary users of financial statements and to help companies distinguish between changes in accounting estimates and changes in accounting policies. The amendments will be applicable from January 1, 2023, although advance application is permitted.

The Directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.

IFRS standards, amendments and interpretations not yet endorsed by the European Union

At the reporting date, the relevant bodies of the European Union had not yet concluded the process necessary for the implementation of the amendments and standards described below.

- On January 23, 2020, the IASB published an amendment entitled "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current". The purpose of the document is to clarify how to classify payables and other short or long-term liabilities. These amendments shall enter into force on January 1, 2023 and early application is permitted. The Directors do not expect this amendment to have a significant impact on the Group consolidated financial statements.

- On May 7, 2021, the IASB published an amendment called "Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction". The document clarifies how deferred taxes should be accounted for on certain transactions that can generate assets and liabilities of equal amounts, such as leases and decommissioning obligations. The amendments will be applicable from January 1, 2023, although advance application is permitted. The directors are currently assessing the possible effects from the introduction of this amendment.

- On December 9, 2021, the IASB published an amendment called "Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information". The amendment is a transition option related to comparative information on financial assets presented at the date of initial application of IFRS 17. The amendment is intended to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and thus improve the usefulness of comparative information for financial statement readers. The amendments will apply from January 1, 2023, together with the application of IFRS 17. The Directors do not expect this amendment to have a significant impact on the Group consolidated financial statements.

- On January 30, 2014 the IASB published IFRS 14 Regulatory Deferral Accounts which permits only those adopting IFRS for the first time to continue to recognize amounts concerning Rate Regulation Activities according to the previous accounting standards adopted.

As the Company/Group is a first-time adopter, this standard is not applicable.

The Directors do not expect these standards and amendments to have a significant impact on the Group consolidated financial statements.

Accounting policies

In preparing the Half-Year Financial Report, the same accounting policies as those adopted to prepare the Annual Financial Report at December 31, 2021 were adopted and to which reference should be made. In addition, the following is noted.

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 June 30, 2022, December 31, 2021 and June 30, 2021 (comparative data) are summarized below

Currency		Average rate		Closing rate	
		30.06.2021	30.06.2022	31.12.2021	30.06.2022
BRL	Brazilian Real	6.4917	5.5579	6.3101	5.4229
CAD	Canadian Dollar	1.5040	1.3905	1.4393	1.3425
CZK	Czech Koruna	25.8551	24.6364	24.8580	24.7390
CNY	Yuan Renminbi	7.7980	7.0827	7.1947	6.9624
GBP	Pound Sterling	0.8684	0.8422	0.8403	0.8582
HUF	Forint	357.8540	374.7123	369.1900	397.0400
MXN	Mexican Peso	24.3207	22.1747	23.1438	20.9641
USD	US Dollar	1.2057	1.0940	1.1326	1.0387
THB	Baht	37.1472	36.8580	37.6530	36.7540
INR	Indian Rupee	88.4487	83.3249	84.2292	82.1130
TRY	Turkish Lira	9.5126	16.2330	15.2335	17.3220
AED	UAE Dirham	4.4278	4.0177	4.1595	3.8146
JPY	Yen	129.8117	134.2987	130.3800	141.5400
VND	Dong	27,784.8333	25,068.0000	25,819.0000	24,170.0000
MAD	Dirham Marocco	10.7498	10.6028	10.4830	10.5420
KRW	Won sud	1,347.3633	1,347.8250	1,346.3800	1,351.6000

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 year-end exchange rate (in accordance with the general rules for translating financial statements with functional currencies other than those of the parent company).

Use of estimates

When preparing these Condensed Consolidated Half-Year Financial Statements, 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 test at December 31, 2021 on goodwill, reviewing the forward-looking data for the CGU's in view of the extraordinary circumstances stemming from the COVID-19 pandemic. For the half-year financial report at June 30, 2022, the Directors, also having regard to the implications related to the Russian-Ukrainian conflict, did not find elements that would require an updated impairment test - with the exception of the Toba CGU- as described in more detail below.

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 Condensed Consolidated Half-Year Financial Report for financial instruments are described in the "Accounting policies" section of the Annual Financial Report at December 31, 2021.

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

There were no changes compared to that indicated in the Annual Financial Report at December 31, 2021 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. Similarly, the impact of the Russia - Ukraine conflict beginning in February 2022 may lead to significant international humanitarian and social crises with major impacts on the people in these countries, as well as on the global economy and on the Group. The group has only limited exposure in the areas impacted by the war (i.e. Ukraine, Russia, Belarus) in either sales or purchases.

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

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

The following table summarizes the exposure relating to foreign currency assets and liabilities while showing the most important currencies for each year:

30.06.2022										
(€/000)	EUR	USD	CNY	BRL	MXN	THB	GBP	CAD	Altre valute	**Total**
Total assets	215,067	253,693	19,708	10,525	9,002	6,391	5,322	3,534	5,990	**529,232**
Total liabilities	223,652	146,367	11,732	6,769	5,925	5,791	4,273	812	5,667	**410,988**

31.12.2021										
(€/000)	EUR	USD	CNY	BRL	MXN	THB	GBP	CAD	Altre valute	**Total**
Total assets	238,243	28,042	18,016	8,625	7,142	4,786	5,681	3,486	6,314	**320,335**
Total liabilities	175,820	10,269	10,271	5,484	4,374	4,154	4,982	374	6,159	**221,885**

The table below provides a sensitivity analysis of revenues to the risk arising from the translation into Euro of revenues generated in currencies other than the Euro, for changes of around + /- 10% compared with the average exchange rate for the period.

	30.06.2022			30.06.2021		
Net revenues	**Current Forex in €**	**Forex +10%**	**Forex -10%**	**Current Forex in €**	**Forex +10%**	**Forex -10%**
EUR - Euro	96,705	96,705	96,705	97,568	97,568	97,568
USD - US Dollar	109,497	99,541	121,661	22,755	20,732	25,339
CNY - Renminbi	10,343	9,403	11,492	7,677	6,979	8,530
BRL – Real	4,766	4,333	5,296	4,656	4,233	5,173
GBP - Pound sterling	5,826	5,296	6,473	5,093	4,630	5,658
THB – Bath	589	536	655	711	646	790
TRY - Turkish lira	359	327	399	416	378	462
INR - Indian rupee	944	858	1,049	379	344	421
JPY - Japanese yen	21	19	23	26	24	29
CAD - Canadian dollar	3	3	4	-	-	-
MXN - Mexican peso	237	215	263	52	47	58
AED - United Arab Emirates dirham	48	44	54	39	36	43
VND - Vietnamese Dong	98	89	109	61	55	67
HUF - Hungarian forint	29	27	33	67	61	74
CSK - Czech Koruna	165	150	183	94	85	104
KRW - South Corean Won	2,344	2,131	2,605	2,663	2,421	2,959
MAD - Dirham	20	18	22	13	12	15
TOTAL	**231,995**	**219,694**	**247,025**	**142,269**	**138,250**	**147,291**

The table below provides a sensitivity analysis of the pre-tax profit to the risk arising from the translation of financial statements denominated in currencies other than the Euro, for changes of around + /- 10% compared with the average exchange rate for the period.

Result before taxes	30.06.2022			30.06.2021		
	Current Forex in €	Forex +10%	Forex - 10%	Current Forex in €	Forex +10%	Forex - 10%
EUR - Euro	11,565	11,565	11,565	13,822	13,822	13,822
USD - US Dollar	7,057	6,415	7,841	3,524	3,204	3,916
CNY - Renminbi	1,133	1,030	1,259	619	563	688
BRL - Real	203	185	226	596	541	662
GBP - Pound sterling	971	883	1,079	354	322	394
THB - Bath	(51)	(46)	(57)	(169)	(154)	(188)
TRY - Turkish lira	149	135	165	(39)	(36)	(44)
INR - Indian rupee	189	172	210	100	91	111
JPY - Japanese yen	(54)	(49)	(60)	122	111	136
CAD - Canadian dollar	295	268	328	368	335	409
MXN - Mexican peso	596	541	662	466	423	517
AED - United Arab Emirates dirham	17	16	19	117	106	130
VND - Dong	(17)	(15)	(18)	11	10	12
HUF - Hungarian forint	38	34	42	35	32	39
KRW - South Corean Won	(653)	(593)	(725)	(190)	(173)	(211)
MAD - Dirham	(12)	(11)	(14)	17	15	18
CSK - Czech Koruna	56	51	62	146	133	162
TOTAL	**21,481**	**20,581**	**22,584**	**19,898**	**19,345**	**20,573**

However, as the Company prepares its consolidated financial statements in Euro, fluctuations in the exchange rates used to convert the financial statements of subsidiaries, originally expressed in foreign currency, could affect the Group's economic and financial situation.

The following table shows an analysis of the sensitivity of interest expense to the risk arising from fluctuations in interest rates on floating rate loans, assuming an increase / decrease of 0.25% and 0.50% in interest rates.

Interest expense on variable rate loans (€'000)	Interest expenses	+0.25%	+0.50%	-0.25%	-0.50%
30.06.2022	14	26	41	-	-
30.06.2021	16	38	62	-	-

Explanatory Notes to the Consolidated Statement of Financial Position

[1] Property, plant and equipment

They amount to Euro 66,338 thousand at June 30, 2022 (Euro 52,854 thousand at December 31, 2021). They are composed as shown in the following tables, which present the changes in H1 2022.

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 31st December 2021	**39,401**	**8,677**	**766**	**3,750**	**260**	**52,854**
of which:						
- Historical cost	**48,281**	**19,985**	**6,008**	**18,186**	**260**	**92,720**
- Depreciation fund	**(8,879)**	**(11,308)**	**(5,242)**	**(14,436)**		**(39,866)**
Movements IFRS16	10,117			469		**10,586**
Changes in 2022						
- Additions	220	265	172	371	338	**1,366**
- Change in consolidation scope (Historical cost)	10,475	3,383	1	10,805	249	**24,914**
- Change in consolidation scope (Depreciation fund)	(7,707)	(2,995)	(1)	(9,966)		**(20,669)**
- Reclassifications (Historical cost)	(60)	(11)		281	(348)	**(138)**
- Reclassifications (Depreciation fund)	61	4		12		**77**
- Disposals (Historical cost)	(6)	(68)	(57)	(283)	(35)	**(450)**
- Disposals (Depreciation fund)	6	68	56	236		**365**
- Exchange rate differences (Historical cost)	1,749	655	1	1,150	21	**3,576**
- Exchange rate differences (Depreciation fund)	(817)	(520)	(1)	(1,022)		**(2,360)**
- Depreciation	(479)	(522)	(179)	(646)		**(1,826)**
Balance at 30 June 2022	**51,303**	**8,926**	**757**	**4,867**	**485**	**66,338**
of which:						
- Historical cost	**70,861**	**24,210**	**6,124**	**30,771**	**485**	**132,452**
- Depreciation fund	**(19,559)**	**(15,283)**	**(5,367)**	**(25,905)**	**-**	**(66,114)**

Investments in the first half of the year totaled Euro 1,366 thousand, of which non-recurring totaling Euro 163 thousand and relating for Euro 155 thousand to the purchase of land by the subsidiary FEA S.r.l. as part of the production area expansion.

Increased rights-of-use were recognized of Euro 866 thousand, due to the recognition, as per IFRS 16, of new vehicle contracts and the renegotiation of new rental charges.

The movements in the consolidation scope impacted property, plant and equipment for a net amount of Euro 13,324 thousand, mainly concerning the impact from the inclusion of the IPEG Group in the consolidation.

At June 30, 2022, 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 year 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, December 2021	**15,002**	**56**	**-**	**1,001**	**16,059**
of which:	-	-	-	-	-
- Historical cost	**24,368**	**1,870**	**-**	**2,858**	**29,096**
- Depreciation fund	**(9,366)**	**(1,814)**	**-**	**(1,857)**	**(13,037)**
	-	-	-	-	-
- Total movements IFRS16	**10,117**	**-**	**-**	**469**	**10,586**
- New IFRS16 contracts	114	-	-	630	**745**
- Interest rate revaluation	122	-	-	-	**122**
- Lease term change (Historical cost)	9,106	-	-	6	**9,112**
- Lease term change (Depreciation fund)	(28)	-	-	(4)	**(32)**
- Exchange rate differences (Historical cost)	861	-	-	(5)	**856**
- Exchange rate differences (Depreciation fund)	(58)	-	-	3	**(55)**
- Disposals (Historical cost)	-	-	-	(369)	**(369)**
- Disposals (Depreciation fund)	-	-	-	208	**208**
- Depreciation	**(1,658)**	**(11)**	**-**	**(289)**	**(1,958)**
	-	-	-	-	-
Balance at 30 June 2022	**23,461**	**45**	**-**	**1,180**	**24,687**
of which:	-	-	-	-	-
- Historical cost	**34,571**	**1,870**	**-**	**3,120**	**39,561**
- Depreciation fund	**(11,109)**	**(1,825)**	**-**	**(1,940)**	**(14,874)**

The regional breakdown of tangible fixed assets is as follows:

Property, plant and equipment	30.06.2022	31.12.2021
EMEA	41,184	41,592
- of which Italy	*36,668*	*36,965*
NORTH AMERICA	22,309	8,058
- of which the United States of America	*21,668*	*7,684*
ASIA	1,644	1,909

Property, plant and equipment	30.06.2022	31.12.2021
SOUTH AMERICA	1,201	1,295
Total	**66,338**	**52,854**

[2] Intangible assets

They amounted to Euro 140,532 thousand at June 30, 2022, compared to Euro 26,192 thousand at December 31, 2021. The breakdown of the movements are as follows:

CHANGES DURING THE PERIOD	Goodwill	Industrial patent andintellectual property rights	Concessions, licences, trademarks and similar rights	Other intangible assets	Fixed assets under construction and advances	Total
Balance at 31 December 2021	**21,913**	**457**	**79**	**3,661**	**81**	**26,192**
Changes in 2022	-	-	-	-	-	-
- Additions	-	97	49	3	67	215
- Reclassifications	-	9	-	62	(9)	62
- Consolidation area change	45,659	416	6,642	56,441	-	109,157
- Disposals (Historical cost)	-	-	-	(40)	-	(40)
- Disposals (depreciation fund)	-	-	-	-	-	-
- Exchange rate differences (Historical cost)	4,099	35	569	4,585	2	9,290
- Exchange rate differences (depreciation fund)	-	-	-	-	-	-
- Write - down	(482)	-	-	-	-	(482)
- Depreciation	-	(109)	(232)	(3,522)	-	(3,862)
Balance at 30 June 2022	**71,189**	**905**	**7,107**	**61,190**	**140**	**140,532**

The changes in the perimeter derive from the inclusion of the IPEG group in the consolidation area and from the provisional allocations of the price paid, which concerned both intangible assets with a finite useful life as well as the goodwill.

The regional breakdown of intangible assets is as follows:

Intangible Assets	30.06.2022	31.12.2021
EMEA	22,481	22,202
- of which Italy	*22,463*	*22,187*
NORTH AMERICA	117,817	3,277
- of which the United States of America	*117,817*	*3,277*
ASIA	51	570
SOUTH AMERICA	184	143
Total	**140,532**	**26,192**

Goodwill at June 30, 2022 amounted to Euro 71,189 thousand, compared to Euro 21,913 thousand at December 31, 2021.

Goodwill	31.12.2021	Change in consolidation area	Increase	Decrease	Change in translation reserve	30.06.2022
UnaDyn	3,306		-	-	298	3,604
Food	2,146		-	-	-	2,146
Energys	276		-	-	-	276
Toba Pnc	482		-	(482)	-	-
Doteco	15,695		-	-	-	15,695
IPEG		45,659	-		3,801	49,460
Other	8		-	-	-	8
Total	**21,913**	**45,659**	**-**	**(482)**	**4,099**	**71,189**

The goodwill mainly refers to the acquisition:

- of the US subsidiary Universal Dynamics Inc. ("Unadyn") in 2008;
- of a controlling interest in Penta S.r.l. at the end of 2014;
- of the subsidiary Progema S.r.l. in 2016;
- of Energys S.r.l. in 2016;
- of FEA Process in 2019;
- of Toba PNC in 2019;
- of the Doteco Group in 2020;
- of the IPEG Group in the first quarter of 2022.

The increase in value on the previous year relates to the provisional allocation of goodwill concerning the recent acquisition of the IPEG Group. The difference between the price paid, the assets acquired and the liabilities assumed was provisionally allocated for Euro 45,659 thousand to Goodwill. See the information provided in the paragraph *"Acquisitions and corporate transactions. Acquisition of IPEG Inc."*.

In the first half of the year, the goodwill resulting from the Toba acquisition was written down entirely and expensed in the amount of Euro 482 thousand. For further details, please refer to the "Impairment Test" section below.

The change in the goodwill of UnaDyn and IPEG 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 operational 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 (the latter, however, written down in 2021).

The Group has no goodwill which is tax deductible.

Details of impairment test

Goodwill is allocated to the Group's cash generating units, represented by the CGUs to which it refers.

The Group verifies at least annually impairments on goodwill, testing the CGU's to which goodwill is allocated.

With regard to the recoverability of the value of intangible assets recognized in the consolidated financial statements at June 30, 2022 related to the other CGU's (UnaDyn, Food, Energys, FEA, Doteco, and IPEG), the Directors, having regard to the results of the aforementioned CGU's, substantially aligned with the forecasts used for the assessments carried out with reference to the financial statements of December 31, 2021, and even taking into account the potential effects on the economy related to COVID-19 and the Russian-Ukrainian conflict, did not find elements that would require updating the impairment test.

With reference to the Toba PNC CGU, whose goodwill allocated at December 31, 2021 was Euro 482 thousand, taking into account the persisting negative results of the subsidiary, it was decided to update the impairment test carried out at December 31, 2021. For the purpose of updating the test, the CGU business plan figures were updated to reflect these negative trends beyond what had already been foreseen and under the assumption of business model continuity. The updated plan was approved by the Board of Directors on September 8, 2022.

The recoverable value has been verified through the calculation of the value in use, considered as the present value of the expected cash flows utilizing a rate which reflects the specific risks of the individual CGU's at the valuation date (so-called Discounted Cash Flow method). The assumptions underlying the forecast cash flows take into account the gross margin based on historical performance and the best estimate of future operating costs and cash flows as a driver for the preparation of the forecast, as well as its own expectations of developments in the market in which the CGU operates. At the end of the explicit forecast period, a "normalized" cash flow was calculated, based on the last explicit forecast year, for the calculation of the terminal value.

The discount rate used is the weighted average cost of capital (so-called post-tax WACC) and has been determined taking into account the capital structure of the individual CGU. The method applied is the Capital Asset Pricing Model, according to which the rate is determined on a mathematical model deriving from the sum of the return on a risk-free asset, to which the risk premium is added. The market risk premium is the product of the average market risk and the industry-specific beta. In particular, the cost of capital was determined on the basis of market returns on medium/long-term (10 years) government bonds of the countries/markets to which the CGU refers observed during the reference year (3.38% for the Toba PNC CGU), adjusted by the market risk premium of the reference country, reflecting the investment risk (equal to 6.01%) plus an additional risk premium. The beta coefficient applied is 1.05.

The growth rate (g) for the determination of cash flows beyond the explicit period (from 2025 onwards) is equal to 1,51% nd reflects the normalized trend inflation.

30.06.2022				
CGU	Goodwill	g rate	Pre-tax discount rate	WACC post-tax
Toba	0	1,51%	15,09%	11,93%

The assumptions described result in a negative recoverable amount at June 30, 2022, therefore, it was required to fully write down the carrying amount of the goodwill for Euro 482 thousand, with an effect on the income statement for the first half of 2022.

[3] Equity investments

At June 30, 2022, equity investments amounted to Euro 10,884 thousand, increasing on December 31, 2021 due to the entry of the Indian company Nuvu Conair Private Ltd, held 50% by IPEG Inc.

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

Company	Registered office	%	31.12.2021	Change in consolidation area	Increase / Decrease	Change in translation reserve	30.06.2022
CMG S.p.A.	Budrio (BO)	20%	228	-	(12)		216
Penta Auto Feeding India Ltd	(India)	50%	-		102		102
Nuvu Conair Private Ltd	Ahmedabad (India)	50%		9,082	457	521	10,060
Affinity				463		39	502
Other			9	-	(5)		4
Total			**237**	**9,545**	**542**	**560**	**10,884**

The investments in associated companies and joint ventures indicated in the table above have been measured using the equity method and a similar valuation method has been 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 regard to the shareholdings in CMG S.p.A. and Penta Auto Feeding India Ltd., we should note that total gains of Euro 90 thousand have been recognized following the equity valuation based on the performance at December 31, 2021 and June 30, 2022 respectively.

With reference to the new Indian investee Nuvu Conair Private Ltd., owned by IPEG Inc, it should be noted that the investment, at the provisional purchase price allocation phase, was measured at the fair value, equal to USD 10,227 thousand (approximately Euro 9,082 thousand). Subsequently, the amount of the investment increased by USD 499 thousand (approximately

Euro 460 thousand) due to the equity valuation of the investment, which at June 30, 2022 is worth approximately USD 10,449 thousand (approximately Euro 10,060 thousand).

Finally, following the entry of IPEG Inc into the consolidation scope, the investment in the company Affinity was included at a value of USD 521 thousand (approximately Euro 462 thousand), equating to approximately Euro 502 thousand at June 30, 2022, taking into account the exchange rate trend.

[4] Other non-current assets

At June 30, 2022, these amounted to Euro 416 thousand, compared to Euro 505 thousand at December 31, 2021; 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 8,107 thousand at June 30, 2022, compared to Euro 6,197 thousand at December 31, 2021. The Group has set aside deferred tax assets and liabilities on temporary differences between book values and tax values.

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

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

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

Deferred tax liabilities amounted to Euro 19,110 thousand at June 30, 2022, compared to Euro 505 thousand at December 31, 2021. The increase is linked to the acquisition of the IPEG group and, in particular, to the deferred tax effects related to the provisional allocations made to intangible assets with a defined useful life, temporary differences which will therefore released with the dynamics of the related amortization.

	31.12.2021	Change in Consolidation area	Change in Translation reserve	Reclassifications	Other moviments	Effect on income statement	30.06.2022
Deferred tax assets	6,197	886	319	20	(40)	725	8,107
Deferred tax liabilities	(505)	(17,799)	(1,452)	(20)	(26)	691	(19,110)
Total	**5,692**	**(16,914)**	**(1,133)**	**-**	**(66)**	**1,416**	**(11,004)**

[6] Inventories

At June 30, 2022, they amounted to Euro 90,852 thousand, compared to Euro 44,540 thousand at December 31, 2021; the breakdown is shown below:

Inventories	30.06.2022	31.12.2021
Raw materials	44,420	10,005
Semi-finished products	24,725	17,018
Finished goods	30,802	21,893
Progress payments	2,035	1,220
Allowance for inventory write-down	(11,132)	(5,596)
Inventories	**90,852**	**44,540**

At June 30, 2022, inventories increased by Euro 51,848 thousand, gross of the obsolescence provision. The increase mainly concerns the inclusion of the IPEG Group in the consolidation scope.

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 June 30, 2022, the item Assets for contract work-in-progress amounted to Euro 6,711 thousand, compared with Euro 4,519 thousand at December 31, 2021.

Liabilities for contract work-in-progress amounted to Euro 3,696 thousand at June 30, 2022, compared with Euro 8,174 thousand at December 31, 2021. In particular, this refers to work-in-progress on contracts of Penta S.r.l..

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

Contract assets for work in progress	30.06.2022	31.12.2021
Measurement of contracts in progress (costs incurred added to profits recognized)	18,230	9,500
Progress payments received	(11,518)	(4,981)
Amounts due from customers	**6,711**	**4,519**

Contract liabilities for work in progress	30.06.2022	31.12.2021
Measurement of contracts in progress (costs incurred added to profits recognized)	13,482	11,484
Progress payments received	(17,178)	(19,658)
Amounts due to customers	**(3,696)**	**(8,174)**

The value of contract assets for work-in-progress increased from December 31, 2021, as a result of the consolidation of the IPEG Group and of the new contracts of the subsidiaries Penta S.r.l. and FEA S.r.l..

Liabilities for contract work-in-progress decreased compared to December 31, 2021 due primarily to advances received.

The movements between December 31, 2021 and June 30, 2022 are reported below:

	31.12.2021	Change in consolidation area	Change in transalation reserve	Reclassification	Decrease	Increase	30.06.2022
Measurement of contracts in progress (costs incurred added to profits recognized)	9,500	1,706	111	263	10,947	(4,298)	18,229
Progress payments received	(4,981)	(443)	(25)	(2,843)	(5,839)	2,613	(11,519)
Contract assets for work in progress	**4,519**	**1,263**	**86**	**(2,581)**	**5,109**	**(1,685)**	**6,711**
Measurement of contracts in progress (costs incurred added to profits recognized)	11,484	-	70	(263)	4,691	(2,500)	13,482
Progress payments received	(19,658)	-	(99)	2,843	(4,707)	4,443	(17,178)
Contract liabilities for work in progress	**(8,174)**	**-**	**(29)**	**2,581**	**(16)**	**1,943**	**(3,696)**

Revenue from contract work-in-progress amounted to Euro 14,951 thousand in the first half of 2022 and related to Penta S.r.l., FEA S.r.l. and the IPEG Group.

[8] Trade receivables

They amounted to Euro 76,137 thousand at June 30, 2022, compared to Euro 55,390 thousand at December 31, 2021. This item, which represents the exposure to third parties, is broken down as follows:

	30.06.2022	31.12.2021
Gross trade receivables	81,897	60,870
Provision for bad debt	(5,761)	(5,480)
Trade receivables	**76,137**	**55,390**

Receivables by region are broken down in the following table:

Receivables	30.06.2022	31.12.2021
EMEA	33,167	37,210
of which Italy	17,308	18,414
NORTH AMERICA	30,672	6,041
ASIA	8,701	8,016
SOUTH AMERICA	3,596	4,123
Receivables	**76,137**	**55,390**

Receivables in the first six months of 2022, gross of the provision, increased on 2021 year-end (+35%). The increase mainly concerns the inclusion of the IPEG Inc Group in the consolidation scope.

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.

Provision for bad debt	
31.12.2020	**4,974**
Release	(261)
Accruals	938
Utilisations	(259)
Exchange rate differences	88
31.12.2021	**5,480**

Provision for bad debt	
31.12.2021	**5,480**
Release	(619)
Accruals	45
Utilisations	(82)
Change in consolidation area	762
Exchange rate differences	175
30.06.2022	**5,761**

The annual provision is included under Other operating costs.

The following table presents trade receivables by overdue category:

Receivables and bad debt	***30.06.2022***		***31.12.2021***	
	Receivables	***Provision***	***Receivables***	***Provision***
Receivables due to expire	52,762	(1,202)	42,681	(526)
Receivables overdue whitin 30 days	18,566	(198)	7,147	(77)
Receivables overdue between 1 and 12 months	7,272	(1,063)	7,165	(999)
Receivables overdue over 12 months	3,297	(3,297)	3,877	(3,877)
Totale	**81,897**	**(5,761)**	**60,870**	**(5,480)**

It should also be noted that the Group did not encounter any particular difficulties in collecting receivables in the first six months of 2022 and there are no credit positions at risk related to the COVID emergency.

[9] Current financial assets

They amounted to Euro 1,525 thousand at June 30, 2022, compared to Euro 1,589 thousand at December 31, 2021. This item includes bonds purchased in order to invest available financial resources and not yet reimbursed. These instruments were measured at fair value (level 1) at June 30, 2022 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 H1 2022 is a net charge of Euro 49 thousand.

[10] Tax receivables

They amounted to Euro 7,472 thousand at June 30, 2022, compared to Euro 4,517 thousand at December 31, 2021.

Tax receivables	**30.06.2022**	**31.12.2021 restated (*)**	**31.12.2021**
VAT receivables	2,901	2,479	4,005
Other current tax assets	4,571	2,038	512
Tax receivables	**7,472**	**4,517**	**4,517**

(*) Data restated as of December 31, 2021 following the correct classification in VAT receivables.

[11] Other current assets

They amounted to Euro 15,779 thousand at June 30, 2022, compared to Euro 5,290 thousand at December 31, 2021. A breakdown follows:

Other current assets	**30.06.2022**	**31.12.2021**
Advances to suppliers	11,627	3,572
Prepayments and accrued expenses	2,279	972
Other receivables	1,872	747
Other current assets	**15,779**	**5,290**

The increase in the various items mainly concerns the inclusion of the IPEG Group in the consolidation scope.

[12] Cash and cash equivalents

They amount overall to Euro 104,480 thousand at June 30, 2022, compared to Euro 118,505 thousand at December 31, 2021.

Cash and cash equivalents	**30.06.2022**	**31.12.2021**
Current accounts and post office deposits	104,447	118,474
Cash	33	31
Cash and cash equivalents	**104,480**	**118,505**

The reduction in this item is primarily due to the use of part of the liquidity to complete the acquisition of the IPEG Group. 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.

At June 30, 2022, there were no restrictions on the availability of the Group's current accounts.

[13] Equity attributable to the owners of the Parent

Equity is made up as follows:

Equity attributable to the owners of the parent	30.06.2022	31.12.2021
Share capital	6,000	6,000
Legal reserve	1,200	1,200
Reserve for own shares in portfolio	(2,208)	(2,250)
Translation reserve	8,032	(1,104)
Other Reserves and retained earnings	88,672	64,811
Net profit (loss)	15,057	28,347
Equity attributable to the owners of the parent	**116,753**	**97,004**

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

Therefore, the Company and the Group as at June 30, 2022 hold 2,620,700 treasury shares, equal to 4.89% of the share capital of Piovan S.p.A., directly through Piovan S.p.A. with a value of Euro 2,208 thousand at June 30, 2022.

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

The item Other reserves and retained earnings mainly includes the other profit and capital reserves of the Parent Company, in addition to the consolidated profit for previous years and the effects of adjustments resulting from the adoption of international accounting standards. This item changed during 2022 following the allocation of the previous year's result and for dividend distribution.

[14] Earnings per share

At June 30, 2022, the shares in circulation numbered 53,600,000 and the treasury shares held by Piovan S.p.A. amounted to 2,620,700.

The number of shares relevant for the calculation of earnings per share is 50,979,300 shares corresponding to existing shares (53,600,000) less the number of treasury shares in portfolio (2,620,700).

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, i.e. 50.953.025 shares. During the half-year period all variances occurred have been considered. It should also be considered 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 calculation of the basic earnings per share is as follows:

Earnings per share	30.06.2022	31.12.2021
Net Profit Attributable to Owners of the Parent (in thousands of Euros)	15,057	28,347
Weighted average number of ordinary shares (in thousands of units)	50,953	50,929
Basic earnings per share (in Euros)	**0.30**	**0.56**

The diluted earnings per share is as follows:

Earnings per share	30.06.2022	31.12.2021
Net Profit Attributable to Owners of the Parent (in thousands of Euros)	15,057	28,347
Weighted average number of ordinary shares (in thousands of units)	51,244	51,553
Dilutive earnings per share (in Euros)	**0.29**	**0.55**

[15] Equity attributable to non-controlling interests

The minority interest shareholders' equity at June 30, 2022 amounted to Euro 1,491 thousand, compared to Euro 1,447 thousand at December 31, 2021. The account includes the minority interests in the subsidiaries Progema S.r.l., FDM GmbH, FEA, Toba, and Studio Ponte S.r.l. The profit in the first six months of 2022 mainly concerned the minority interest share of the subsidiaries FEA, Progema S.r.l. and FDM GmbH, which reported profits in the period.

The dividends distributed concern that accruing to the minority shareholders of FDM GmbH

Equity attributable to non-controlling interests					
31.12.2021	Net profit	Dividends paid	Change in translation reserve	Changes in consolidation scope	30.06.2022
1,447	139	(99)	4	-	1,491

[16] Current and non-current financial liabilities

The account is broken down as follows:

Current financial liabilities	30.06.2022	31.12.2021
Short-term bank borrowings	26,530	29,001
Current portion of long-term loans	26,578	20,584
Other loans and borrowings	4,514	2,446
Current financial liabilities	**57,623**	**52,031**

Non-current financial liabilities	30.06.2022	31.12.2021
Medium to long-term bank loans	125,570	32,480
Other loans and borrowings	16,895	9,440
Non-current financial liabilities	**142,465**	**41,920**

The principal characteristics of loans are as follows:

Loan	Currency	Original amount (EUR)	Maturity	Interest rate	Terms	30.06.2022			31.12.2021		
						Residual debt	Current	Non-current	Residual debt	Current	Non-current
1	EUR	8,000	30/09/2022	Variable	Euribor 6m+0,55%	800	800	-	1,600	1,600	-
2	EUR	6,000	05/04/2022	Fixed	0.48%	-	-	-	756	756	-
3	EUR	7,500	06/12/2022	Fixed	0.50%	758	758	-	1,515	1,515	-
4	EUR	7,000	03/05/2024	Fixed	0.54%	3,519	1,755	1,764	4,393	1,750	2,643
5	EUR	5,000	05/02/2025	Variable	Euribor 6m+0,65%	3,000	1,000	2,000	3,500	1,000	2,500
6	EUR	7,000	07/04/2024	Variable	Euribor 6m+0,85%	3,500	1,750	1,750	4,375	1,750	2,625
7	EUR	2,000	24/06/2023	Fixed	0.35%	669	669	-	1,003	668	335
8	EUR	20,000	14/10/2025	Fixed	0.67%	14,000	4,000	10,000	16,000	4,000	12,000
9	EUR	5,500	23/12/2028	Variabile	Euribor 6m+0,6%	3,830	589	3,241	4,125	589	3,536
10	EUR	5,000	05/05/2023	Fixed	0.01%	3,333	3,333	-	5,000	3,333	1,667
11	EUR	10,000	22/11/2024	Fixed	0.25%	8,339	3,329	5,009	10,000	3,325	6,675
12	EUR	112	30/06/2031	Fixed	0.18%	112	-	112	112	-	112
13	EUR	112	30/06/2031	Fixed	0.18%	112	-	112	112	-	112
14	EUR	61	30/06/2031	Fixed	0.18%	61	-	61	-	-	-
15	EUR	61	30/06/2031	Fixed	0.18%	61	-	61	-	-	-
16	EUR	100,000	21/01/2028	Fixed	1.34%	100,000	5,000	95,000	-	-	-
17	EUR	10,000	20/06/2025	Variable	1.05%	10,000	3,298	6,702	-	-	-
18	KRW	838	31/08/2026	Fixed	3.85%	835	296	539	838	297	541
19	KRW	371	29/06/2026	Fixed	2.03%	370	-	370	371	-	371
Total						**153,299**	**26,578**	**126,721**	**53,699**	**20,584**	**33,116**

At June 30, 2022 and December 31, 2021, the main details of bank loans by maturity are detailed below:

Current financial liabilities	31.12.2021	Net cash flow	Change in consolidation area	Increases for new loans	Change in translation reserve	Increase for new rent/lease	30.06.2022
Short-term bank borrowings	29,001	(2,471)	-	-	-		26,530
Current portion of long-term loans	20,584	(2,304)	-	8,298	-		26,578

Current financial liabilities	31.12.2021	Net cash flow	Change in consolidation area	Increases for new loans	Change in translation reserve	Increase for new rent/lease	30.06.2022
Other current financial liabilities	2,446	227	1,457	-	139	244	4,514
Current financial liabilities	**52,031**	**(4,547)**	**1,457**	**8,298**	**139**	**244**	**57,623**

Non-current financial liabilities	31.12.2021	Net cash flow	Change in consolidation area	Increases for new loans	Change in translation reserve	Increase for new rent/lease	30.06.2022
Medium to long-term bank loans	32,480	(8,176)	-	101,267	-	-	125,570
Other non-current financial liabilities	9,440	(1,712)	7,757	122	665	622	16,895
Non-current financial liabilities	**41,920**	**(9,888)**	**7,757**	**101,389**	**665**	**622**	**142,465**

[17] Employee benefits plan

The item, amounting to Euro 6,408 thousand at June 30, 2022 and Euro 6,454 thousand at December 31, 2021, mainly includes the liabilities for the Post-employment benefit provision recorded in the companies of the Group qualifying as defined benefit plans according to IAS 19 and are therefore subject to actuarial calculation.

Liabilities for employee benefits	30.06.2022	31.12.2021
Opening balance	**6,454**	**6,333**
Other changes	-	(10)
Employee benefits paid	(446)	(574)
Currency translation difference	7	(4)
Provision	936	1,737
Transfer to pension funds and INPS treasury	(541)	(1,124)
Actuarial earnings (losses)	-	77
Interest cost	-	19
Closing balance	**6,408**	**6,454**

The remaining part of the balance (Euro 60 thousand at June 30, 2022 and Euro 58 thousand at December 31, 2021) concerns employee benefits paid by foreign branches individually and in aggregate not significant.

Compared to the actuarial assumptions outlined in the Explanatory Notes to the Consolidated Financial Report at December 31, 2021, 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 June 30, 2022 amounted to Euro 5,155 thousand, compared to Euro 2,681 thousand at December 31, 2021. The composition and the movements of the item are shown in the following table:

	31.12.2021	Change in consolidation area	Accruals	Releases/ Reclassifications	Exchange rate differences	Riclassification	30.06.2022
Provision for legal and tax risks	1,510	373	678	(507)	118	(10)	2,162
Provision for product warranties	884	1,519	240	(109)	156	-	2,690
Provision for agents' termination benefits	189		12	-	-	-	201
Pension provision	57		4	-	-	-	61
Other provisions for risks	41		-	-	-	-	41
Provisions for risks and charges	**2,681**	**1,892**	**934**	**(616)**	**274**	**(10)**	**5,155**

The provision for risks and charges at June 30, 2022 increased on the one hand due to the change in the consolidation scope with the inclusion of the IPEG Group's balances, amounting to Euro 1,892 thousand, and on the other due to accruals for the period of Euro 934 thousand. In addition, the item decreased due to releases of approximately Euro 616 thousand and increased by approximately Euro 274 thousand due to the performance of the US Dollar and the Brazilian Real.

The Provision for legal and tax risks at June 30, 2022 mainly includes:

- a provision of Euro 125 thousand of the subsidiary Piovan France Sas set aside in 2017 associated with the reorganization of the commercial network in the French market;
- a provision of Euro 251 thousand of the subsidiary Piovan Do Brasil was accrued in previous years against a potential liability that could arise as a result of a more restrictive interpretation of the tax regulations for the calculation of taxes. The subsidiary appointed highly qualified tax consultants to analyze the case and quantification of the accrual. The value of this provision at June 30, 2022, on the one hand, decreased due to the release of Euro 115 thousand, whereas it increased due to allocations of Euro 13 thousand and to the weakening of the Brazilian currency against the Euro.
- a provision set aside in 2018 by Unadyn for a total amount of USD 300 thousand (Euro 288 thousand) against a potential liability linked to indirect taxation in various states.
- a provision of Euro 490 thousand set aside in the first six months of 2022 in relation to potential risks related to the commercial activities of a number of group companies.

The Provision for product warranty was set up to cover estimated warranty service charges to be incurred in the future, calculated on the basis of historical costs and expected costs relating to the machines and plants sold and still within the initial warranty period.

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

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

The items in question refer to liabilities for put options granted to the minority shareholders of FEA. In particular, the liability recognized concerns a 49% holding of minority shareholders. The contract stipulates that the minority shareholders may exercise a put option on all, and not part, of their share capital in the period between 30.04.2022 and 30.04.2024. Piovan S.p.A., on the other hand, may exercise a call option - also in a single transaction and in the period between 30.04.2022 and 30.04.2024 - on the 12% of share capital held by FEA's historic shareholders. The value of the share is determined when exercising the option based on certain financial parameters defined in the agreements between the parties. The liability, estimated on the basis of the expected performance of these parameters, was unchanged on December 31, 2021.

With reference to the subsidiary Toba PNC, a put option exists on the 49% stake held by the minority shareholders. The contract states that the ToBaPNC shareholders may exercise a put option on their shares up to 49% of the share capital in the period between 01.01.2023 and 31.12.2024, in one or more tranches and Piovan S.p.A. may exercise a call option with the same characteristics. The value of the share is determined when exercising the option based on certain financial parameters defined in the agreements between the parties. The liability was eliminated following the measurement at December 31, 2021. In view of the poor performance of the investee and the updated forecasts for the purpose of impairment testing, this valuation is confirmed.

At the investees' acquisition date, in 2019, the liability for the put option was recognized with a similar entry in the Group's shareholders' equity, as they related to minority interests that would have been taken over only after the acquisition of control of the investee (thus qualifying them as transactions between shareholders). For further details on the accounting policies, reference should be made to the Basis of preparation paragraph of the Annual Financial Report at December 31, 2021.

	31.12.2021	Reclassifications	Increases	Decreases	Purchase	Charges (Income) from valuation	30.06.2022
Put Option FEA (49%)	741	-	-	-	-	-	741
Total Put Options	**741**	-	-	-	-	-	**741**

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

They amounted to Euro 23,541 thousand at June 30, 2022, compared to Euro 2,416 thousand at December 31, 2021, with the increase in the period mainly relating to the earnout of IPEG Inc, as outlined in the previous paragraphs.

	30.06.2022	31.12.2021
Payables to employees	1,809	2,220
Payables to parent company	742	197
Other payables	20,989	0
Other current liabilities	**23,541**	**2,416**

[21] Trade payables

They amounted to Euro 69,262 thousand at June 30, 2022, compared to Euro 50,022 thousand at December 31, 2021.

The movement in this item on December 31, 2021 derives from the normal fluctuation in relation to the business activities of the various companies, in addition to the inclusion of the IPEG Group in the consolidation scope.

[22] Advance from customers

At June 30, 2022, Advances from customers amounted to Euro 45,856 thousand, compared to Euro 31,042 thousand at December 31, 2021. This item refers to advances received by customers and relating to contracts where performance obligations are met at a point in time.

[23] Tax liabilities and social security contributions

They amount to Euro 8,778 thousand at June 30, 2022, compared to Euro 8,531 thousand at December 31, 2021. The account is broken down as follows:

	30.06.2022	31.12.2021
Social security contributions	2,890	3,708
VAT liabilities	2,051	1,558
Tax withholdings for employees	1,213	1,773
Income tax liabilities (IRES and IRAP)	2,540	920
Other	84	572
Tax liabilities and social security contributions	**8,778**	**8,531**

[24] Other current liabilities

They amounted to Euro 28,293 thousand at June 30, 2022, compared to Euro 17,309 thousand at December 31, 2021. The account is broken down as follows:

	30.06.2022	31.12.2021
Payables to employees	12,626	5,527
Payables to parent company	5,374	2,407
Accrued income and deferred expense	4,023	3,059
Other payables	6,269	6,317
Other current liabilities	**28,293**	**17,309**

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

The inclusion of IPEG group in the consolidation area starting from February 2022 had significant effects in many items, reducing the comparability of first half 2022 figures with the same period of previous year, as highlighted below.

[25] Revenue

Revenue totaled Euro 231,995 thousand in the first six months of 2022, compared to Euro 142,269 thousand in the first six months of 2021, increasing 63.1%. At like-for-like consolidation scope, the increase was 4.6%.

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 half-year 2022	First half-year 2022 (IPEG excluded)	First half-year 2021	2022 vs 2021	%	2022 (IPEG excluded) vs 2021	%
Plastic	175,533	113,491	108,105	67,428	62.4%	5,386	5%
Food & non plastic	23,230	16,639	17,523	5,708	32.6%	(884)	(5%)
Services	33,231	18,658	16,641	16,591	99.7%	2,017	12.1%
Revenue	**231,995**	**148,788**	**142,269**	**89,726**	**63.1%**	**6,519**	**4.6%**

Part of the revenues of the Plastic Systems and the Food and non plastics Systems markets derive from contracts with customers where the performance obligations, as well as the recognition of the related revenues, are met over time, as described in the section “Accounting policies” of the Annual Financial Report at December 31, 2021. These revenues amounted to Euro 15 million in the first six months of 2022, while in the first six months of 2021 totaled Euro 17 million. These revenues mainly relate to the subsidiaries Penta S.r.l., FEA S.r.l. and Pelletron Corp., part of the IPEG Group.

The breakdown of revenue by region is as follows:

	First half-year 2022	First quarter 2022 (IPEG excluded)	First quarter 2021	2022 vs 2021	%	2022 (IPEG excluded) vs 2021	%
EMEA	88,021	85,678	92,880	(4,859)	(5.2%)	(7,201)	(7.8%)
ASIA	19,823	16,745	15,869	3,954	24.9%	877	5.5%
NORTH AMERICA	116,871	39,482	26,720	90,151	337.4%	12,762	47.8%
SOUTH AMERICA	7,280	6,882	6,801	479	7.0%	81	1.2%
Revenue	**231,995**	**148,788**	**142,269**	**89,726**	**63.1%**	**6,519**	**4.6%**

Revenues in EMEA include revenues in Italy which amounted to Euro 27,559 thousand in the first six months of 2022 and Euro 27,884 thousand in the first six months of the previous year.

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

[26] Other revenue and income

Other revenue amounts to Euro 6,058 thousand, increasing Euro 2,401 thousand compared to the first six months of 2021 and which break down as follows:

	First half-year 2022	First half-year 2021
Accessory transport services for sales	4,188	1,154
Machinery rent	66	50
Grants related to income	335	68
Gains for disposal of tangible and intangible assets	424	182
Gains for disposal of tangible and intangible assets	53	19
Recharges to suppliers	0	35
Insurance compensation	6	16
Agency commissions	4	74
Increase in fixed assets for internal works	151	60
Other	831	1,999
Other revenue and income	**6,058**	**3,657**
of which non-recurring		1,539

Accessory transport services for sales mainly refers to revenues from transport ancillary services related to sales transactions with customers. The increase for H1 2021 mainly concerns the consolidation of the IPEG Group beginning in February 2022.

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

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

Other Revenue mainly includes recharges and penalties applied to customers. Non-recurring revenues recognized in the first half of 2021 referred to the US PPP Loan received from Universal Dynamics.

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

This item amounted to Euro 105,670 thousand in the first six months of 2022, compared to Euro 60,075 thousand in the first six months of the previous year. This item is broken down as follows:

	First half-year 2022	First half-year 2021
Costs of raw materials, components and goods	103,692	57,810
Costs of consumables	3,851	1,924
Change in raw materials and goods	1,561	(2,034)
Change in finished goods and semi-finished products	(3,434)	2,375
Costs of raw materials, components and goods and changes in inventories	**105,670**	**60,075**

The increase in purchases of raw materials, components and goods is primarily due to the effect of including the costs of the IPEG group in the consolidation scope from February 2022. On a like-for-like basis, thus excluding the impact of the IPEG Group, the value of this item at June 30, 2022 would increase 2% compared to the same period of 2021, as a result of pressures on raw material costs.

[28] Services

Services amounted to Euro 48,589 thousand in the first half of 2022, compared with Euro 27,593 thousand in 2021.

The increase in service costs is primarily driven by the effect of including the costs of the IPEG Group in the consolidation scope from February 2022. On a like-for-like basis, thus excluding the impact of the IPEG Group, the value of this item at June 30, 2022 would increase 18.9% compared to the same period of 2021.

This item is broken down as follows:

	First half-year 2022	First half-year 2021 (*)
Outsourcing	19,796	12,437
Transport	5,667	3,748
Business trips and travel	2,559	1,416
Agency commissions	6,304	1,760
Fees to directors, statutory auditors and independent auditors	1,231	1,066
Consultancies	2,975	1,588
Maintenance and repairs	1,926	999
Marketing and advertising	1,610	636
Utilities	1,326	728
Insurance	590	483
Telephone and connections	433	306
Other costs for services	2,898	1,668

	First half-year 2022	First half-year 2021 (*)
Rental expenses	642	194
Leases	197	217
Hires	436	349
Services	**48,589**	**27,593**
of which non-recurring	512	-

(*) Data restated following the merging of the items "Costs for use of third party assets" and "Service costs".

The most significant service costs concern the parent company Piovan S.p.A., the IPEG Group 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 19,796 thousand in the six months of 2022 (40.7% 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 six months of 2021, this item amounted to Euro 12,437 thousand (45.1% of total *Service Costs*).
- transport costs on purchases and sales, which increased by Euro 1,919 thousand compared to the previous period;
- business trips and travel relating to both commercial activities and customer relations, and travel to customers' production sites to carry out installation and start-up and customer assistance. In the first six months of 2022, this item increased compared to the first half of 2021, due both to the inclusion of the costs of the IPEG Group and to the increase in business travel compared to 2021, a year of greater travel restrictions due to the COVID pandemic.

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

[29] Personnel expenses

Personnel expenses amounted to Euro 55,634 thousand, compared with Euro 33,408 thousand in the first six months of 2021. A breakdown of personnel expenses and the workforce by category is provided below:

	First half-year 2022	First half-year 2021
Wages and salaries	43,610	25,414
Social security contributions	8,561	6,616
Costs for defined benefit plans	947	806
Other expenses	2,516	572
Personnel expenses	**55,634**	**33,408**
of which non-recurring	102	

The increase in personnel expense is primarily due to the effect of the inclusion of the IPEG Group's costs in the consolidation scope from February 2022.

At like-for-like consolidation scope, personnel expense in the first six months of 2022 was Euro 37,364 thousand.

	First half-year 2022		First half-year 2021	
	period end	average	period end	average
Managers	38	36	30	29
Junior managers	107	109	70	72
White collars	1,020	1,000	671	663
Blue collars	591	585	394	394
Total	**1,756**	**1,730**	**1,165**	**1,158**

The table at June 30, 2022 indicates the increased headcount on June 30, 2021. At like-for-like consolidation scope, the headcount still increased, as shown in the following table:

	First half-year 2022		First half-year 2021	
	period end	average	period end	average
Managers	31	29	30	29
Junior managers	74	75	70	72
White collars	721	709	671	663
Blue collars	413	405	394	394
Total	**1,239**	**1,218**	**1,165**	**1,158**

[30] Other operating costs

This item amounted to Euro 1,450 thousand, compared with Euro 1,577 thousand in the previous year. This item is broken down as follows:

	First half-year 2022	First half-year 2021 (*)
Other taxes and duties	1,009	528
Bad debt provision	(574)	626
Entertainment costs	135	124
Provision for legal and tax risks	304	(67)
Provision for product warranty	240	35
Provision for additional client expenses	13	17
Other	324	313
Other expenses	**1,451**	**1,577**

(*) Data restated following the merging of the items “Provisions for risks and charges” within “Other operating costs”.

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

Provisions for risks and charges amounted to Euro 304 thousand on new allocations in the first six months of 2022, mainly related to potential charges concerning the commercial operations of a number of Group companies.

[31] Amortization and depreciation

This item amounted to Euro 8,128 thousand, compared with Euro 3,551 thousand in the first six months of 2021. This item is broken down as follows:

	First half-year 2022	First half-year 2021
Amortisation	3,862	889
Depreciation	3,784	1,559
Write-down	482	1,103
Depreciation & amortisation	**8,128**	**3,551**

The increase in this item is primarily due to the effect of the inclusion of the IPEG Group's amortization and depreciation in the consolidation scope from February 2022 in the amount of Euro 4,206 thousand, Euro 3,222 thousand of which related to intangible assets from the PPA, as well as to the write-down of TOBA goodwill in the amount of Euro 482 thousand. On a like-for-like basis, and therefore excluding the impact of the IPEG Group, this item at June 30, 2022, would be essentially in line with the previous period.

[32] Financial income and expenses

The item reports a net expense of Euro 993 thousand in the first six months of 2022, compared to an expense of Euro 175 thousand in the first six months of 2021. This item is broken down as follows:

	First half-year 2022	First half-year 2021
Interest income	97	132
Income on financial assets	75	12
Other financial income	215	47
Financial income	**386**	**192**
Bank interest expenses	690	82
Other interest expenses	213	125
Other financial expenses	477	160
Financial expense	**1,380**	**367**
Net financial income (charges)	**(993)**	**(175)**

Current account interest expense increased significantly during the period due to the accrual of interest on the 6-year, fixed-rate loan (bearing interest at a rate of 1.335% annually) received in January 2022 in the amount of Euro 100 million in order to complete the IPEG acquisition.

[33] Net exchange rate gains/(losses)

The item reported a positive balance of Euro 3,346 thousand in the first six months of 2022, compared to Euro 240 thousand in the first six months of 2021. This item is broken down as follows:

	First half-year 2022	First half-year 2021
Exchange rate gains	5,219	2,118
Exchange rate losses	(1,873)	(1,878)
Net exchange rate gain (losses)	**3,346**	**240**

Unrealized foreign exchange gains included under *Foreign Exchange gains* amounted to Euro 4,450 thousand in first six months of 2022 (85% of foreign exchange gains for the period) and Euro 1,596 thousand in the first six months of 2021 (75,37% of foreign exchange gains for the period).

Unrealized foreign *Exchange losses* included under *Foreign exchange losses* amounted to Euro 897 thousand in the first six months of 2022 (48% of foreign exchange losses for the period) and Euro 694 thousand in the first six months of 2021 (36,94% of foreign exchange losses for the period).

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

There is no valuation income or expense during the reporting period. For further details, reference should be made to Note [19].

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

In the first half of the year, the gain from investments measured at equity amounted to Euro 547 thousand and refers mainly to the company NuVu Conair Private LTD. Reference should be made to note [3] for further information.

[36] Income Taxes

This item amounted to Euro 6,285 thousand in the first six months of 2022 compared to Euro 5,244 thousand in the first six months of the previous year. Income taxes have been determined taking into account the best estimate of the average annual tax rate expected for the whole year.

	First half-year 2022	First half-year 2021
Current tax	7,701	5,539
Deferred/advance taxes	(1,416)	(295)
Income taxes	**6,285**	**5,244**

Other Information

Segment disclosure

IFRS 8 requires that disclosures regarding operating segments be prepared in such a way as to provide the information necessary to assess the nature and effects on the financial statements of business activities and operating environments. 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].

Non-recurring items

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

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

Certain non-recurring expenses were identified in 2022 related to the acquisition of the IPEG Group and the integration activities.

Non-recurring items	2022
Costs of services related to acquisition of IPEG Inc.	511
Personnel costs related to acquisition of IPEG Inc.	102
Total	**613**

In 2021, the only non-recurring gain with an impact on operating performance concerned the Euro 1,539 thousand grant that the U.S. subsidiary (Universal Dynamics Inc.) received from the U.S. government under the Paycheck Protection Program launched in 2020 in response to the pandemic.

Incentive plans

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

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

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

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, 2021, to which reference should be made for further information.

30.06.2022	IFRS 9 categories	Book value	Level 1	Level 2	Level 3
Current accounts and post office deposits	Receivables and loans	104,447		104,447	
Cash	Receivables and loans	33		33	
Cash and cash equivalents		**104,480**		**104,480**	
Trade receivables	**Receivables and loans**	**76,137**			**76,137**
Financial assets	**Receivables and loans**	**1,525**	**1,525**		
Total financial assets		**182,142**	**1,525**	**104,480**	**76,137**
Bank borrowings	Liabilities at amortised cost	125,570		125,570	
Payables to other lenders	Liabilities at amortised cost	16,895		16,895	
Non-current financial liabilities		**142,465**		**142,465**	
Short-term bank loans	Liabilities at amortised cost	26,530		26,530	
Short-term bank loans	Liabilities at amortised cost	26,578		26,578	
Payables to other lenders	Liabilities at amortised cost	4,514		4,514	
Current financial liabilities		**57,623**		**57,623**	
Trade payables	**Liabilities at amortised cost**	**69,262**			**69,262**
Advances from customers	**Liabilities at amortised cost**	**45,856**			**45,856**
Liabilities for commitments and put options	**Liabilities at fair value**	**741**			**741**
Total financial liabilities		**315,946**		**200,088**	**115,858**

30.06.2021	IFRS 9 categories	Book value	Level 1	Level 2	Level 3
Current accounts and post office deposits	Receivables and loans	85,555		85,555	
Cash	Receivables and loans	23		23	
Cash and cash equivalents		**85,578**		**85,578**	
Trade receivables	Receivables and loans	56,685			56,685
Financial assets		4,131	4,131		
Total financial assets		**146,393**	**4,131**	**85,578**	**56,685**

30.06.2021	IFRS 9 categories	Book value	Level 1	Level 2	Level 3
Bank borrowings	Liabilities at amortised cost	30,709		30,709	
Payables to other lenders	Liabilities at amortised cost	8,608		8,608	
Non-current financial liabilities		**39,317**		**39,317**	
Short-term bank loans	Liabilities at amortised cost	27,001		27,001	
Short-term bank loans	Liabilities at amortised cost	16,457		16,457	
Payables to other lenders	Liabilities at amortised cost	2,230		2,230	
Current financial liabilities		**45,687**		**45,687**	
Trade payables	**Liabilities at amortised cost**	**41,636**			**41,636**
Advances from customers	**Liabilities at amortised cost**	**24,338**			**24,338**
Liabilities for commitments and put options	**Liabilities at fair value**	**1,865**			**1,865**
Total financial liabilities		**152,843**		**85,005**	**67,838**

Related party transactions

During 2022 and 2021, the Group had commercial relations with certain related parties of Piovan S.p.A.

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.

Transactions at 30.06.2022	Nature of transactions	Notes	Property Plant & Equipement	Current trade receivables	Other current assets	Trade payables	current financial liabilities	Non-current financial liabilities	Other non - current liabilities	Other current liabilities	Revenues	Expenses
Pentafin S.p.A.*	Piovan S.p.A. parent company	[11] [24]								5,374		
CMG S.p.A.	Associated company	[8] [21][25] [27]		23		718					21	1,379
Penta Auto Feeding India Ltd.	Associated company	[8] [21][25] [27]		242							95	
Nicola Piovan	Chairman of the BoD of Piovan S.p.A. and Sole shareholder of Pentafin S.p.A.	[27]	235		20		50	193		55		786
Filippo Zuppichin	Chief executive officer and shareholder of Piovan S.p.A.	[27]	29				12	17	358	403		799
Members of BoD (except President an the CEO)	Directors	[27]								50		90
TOTAL			**264**	**265**	**20**	**718**	**62**	**210**	**358**	**5,882**	**116**	**3,054**

Transactions at 30.06.2021	Nature of transactions	Notes	Property Plant & Equipment	Current trade receivables	Other current assets	Trade payables	current financial liabilities	Non-current financial liabilities	Other non - current liabilities	Other current liabilities	Revenues	Expenses
Pentafin S.p.A.*	Piovan S.p.A. parent company	[11] [24]								3,061		
CMG S.p.A.	Associated company	[8] [21][25] [27]		153		1,010					151	1,152
Penta Auto Feeding India Ltd.	Subsidiary	[8] [21][25] [27]		178							167	
CMG America Inc.	Subsidiary	[11] [27]										
Nicola Piovan	Chairman of the BoD of Piovan S.p.A. and Sole shareholder of Pentafin S.p.A.	[27]	167		31		44	120		55		639
Filippo Zuppichin	Chief executive officer and shareholder of Piovan S.p.A.	[27]							141			412
Members of BoD (except President an the CEO)	Directors	[27]								25		73
TOTAL			**167**	**331**	**31**	**1,010**	**44**	**120**	**141**	**3,141**	**318**	**2,277**

Transactions at 31.12.2021	Nature of transactions	Notes	Property Plant & Equipment	Current trade receivables	Other current assets	Trade payables	current financial liabilities	Non-current financial liabilities	Other non - current liabilities	Other current liabilities	Revenues	Expenses
Pentafin S.p.A.*	Piovan S.p.A. parent company	[11] [24]								2,572		
CMG S.p.A.	Associated company	[8] [21][25] [27]				955					155	2,518
Penta Auto Feeding India Ltd.	Subsidiary	[8] [21][25] [27]		184							188	
Nicola Piovan	Chairman of the BoD of Piovan S.p.A. and Sole shareholder of Pentafin S.p.A.	[27]	139		23		44	98		57		1,298
Filippo Zuppichin	Chief executive officer and shareholder of Piovan S.p.A.	[27]	35				12	24	496			1,144
Members of BoD (except President an the CEO)	Directors	[27]								98		164
TOTAL			**174**	**184**	**23**	**955**	**56**	**121**	**496**	**2,727**	**343**	**5,124**

Commitments and risks

At June 30, 2022, the Group provided guarantees to third parties and the most relevant are the following:

- Euro 3,571 thousand for guarantees in favor of third parties against advances received for contract work-in-progress;

- Euro 1,385 thousand for guarantees in favor of third parties of the Parent Company Piovan S.p.A. for commercial activities.

At June 30, 2022, the parent company Piovan S.p.A. provided sureties in favor of credit institutions in the interest of subsidiaries and subject to the control of the parent company for a total of Euro 9,29 million.

Contingent liabilities

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

Remuneration paid to Directors and Statutory Auditors

Remuneration paid to Directors, Statutory Auditors and Key Managers for the first half of 2022 compared to the previous year are shown below:

	First half-year 2022	First half-year 2021
Directors	927	1,084
Key managers	403	584
Statutory auditors	28	28

Subsequent events after June 30, 2022

See the Directors' Report for information on the significant events after June 30, 2022.

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

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

Company name	Registered office	Country	Currency	Share capital at 30/06/2022	% shareholding	Shares held Shareholder-Partner	Consolidation method
Parent:							
Piovan S.p.A.	Santa Maria di Sala	Italy	EUR	6,000,000			
Equity investments in subsidiary companies:							
Piovan India Private Ltd	Mumbai	India	INR	350,000	100.00%	Piovan S.p.A.	Full
Piovan Plastics Machinery Ltd	Suzhou (CN)	Cina	CNY	5,088,441	100.00%	Piovan S.p.A.	Full
Piovan Do Brasil Ltda	Osasco (BRA)	Brasile	BRL	11,947,356	100.00%	Piovan S.p.A.	Full
Piovan Mexico S. A.	Queretaro (MX)	Messico	MXN	706,540	100.00%	Piovan S.p.A.	Full
Piovan Central Europe GmbH	Brunn am Gebirge (A)	Austria	EUR	35,000	100.00%	Piovan S.p.A.	Full
Piovan UK Ltd	Bromsgrove (GB)	Regno Unito	GBP	25,000	100.00%	Piovan S.p.A.	Full
Piovan Czech Republic s.r.o.	Praga (CZ)	Repubblica Ceca	CZK	200,000	100.00%	Piovan Central Europe GmbH (90%) Piovan S.p.A. (10%)	Full
Piovan France Sas	Chemin du Pognat (F)	Francia	EUR	1,226,800	100.00%	Piovan S.p.A.	Full

Company name	Registered office	Country	Currency	Share capital at 30/06/2022	% shareholding	Shares held Shareholder-Partner	Consolidation method
Universal Dynamics Inc.	Fredericksburg, Virginia (U.S. A.)	USA	USD	3,500,000	100.00%	Piovan S.p.A.	Full
Piovan GmbH	Garching (D)	Germania	EUR	102,258	100.00%	Piovan S.p.A.	Full
Piovan Canada Ltd	Mississauga - Ontario (CAN)	Canada	CAD	10	100.00%	Piovan S.p.A.	Full
Piovan Asia Pacific Ltd	Bangkok (TH)	Tailandia	THB	8,010,000	1	Piovan S.p.A.	Full
FDM GmbH	Troisdorf (DE)	Germania	EUR	75,000	66.67%	Piovan S.p.A.	Full
Piovan Muhendslik Ltd	Beikoz (TR)	Turchia	TRY	10,000	100.00%	Piovan S.p.A.	Full
Penta S.r.l.	Ferrara (IT)	Italia	EUR	100,000	100.00%	Piovan S.p.A.	Full
Energys S.r.l.	Venezia (IT)	Italia	EUR	10,000	100.00%	Piovan S.p.A.	Full
Piovan Japan Inc.	Kobe (J)	Giappone	JPY	6,000,000	100.00%	Piovan S.p.A.	Full
Piovan Gulf FZE	Dubai (UAE)	Emirati Arabi	AED	1,000,000	100.00%	Piovan S.p.A.	Full
Aquatech S.r.l.	Venezia (IT)	Italia	EUR	40,000	100.00%	Piovan S.p.A.	Full
Piovan Vietnam Company Ltd	Mai Chi Tho (Vietnam)	Vietnam	VND	1,136,500,000	100.00%	Piovan S.p.A.	Full
Progema S.r.l.	San Felice sul Panaro (MO)	Italia	EUR	25,000	81.00%	Penta S.r.l.	Full
Piovan Hungary Kft	Budapest	Ungheria	HUF	3,000,000	100.00%	Piovan Central Europe GmbH	Full
Piovan Maroc Sarl. AU	Kenitra	Marocco	MAD	1,000,000	100.00%	Piovan S.p.A.	Full
FEA Process&Technological Plants S.r.l.	Scarnafigi (CN)	Italia	EUR	20,400	51.00%	Piovan S.p.A.	Full
Studio Ponte S.r.l.	Poggio Renatico (FE)	Italia	EUR	10,000	51.00%	Penta S.r.l.	Equity method
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	Corea del Sud	KRW	500,000,000	51.00%	Piovan S.p.A.	Equity method
Doteco S.p.A.	Modena (IT)	Italia	EUR	1,000,000	100.00%	Piovan S.p.A.	Full
Doteco INC	Dalton, Georgia (U.S.A.)	USA	USD	75,000	100.00%	Doteco S.p.A.	Full
Piovan Nord America Llc	Delaware (USA)	USA	USD	-	100.00%	Piovan S.p.A.	Full
IPEG Holdings Inc.	Delaware (USA)	USA	USD	21,038,000	100.00%	Piovan Nord America Llc	Full
IPEG Inc.	Franklin, Pennsylvania (USA) Pinconning, Michigan (USA)	USA	USD	4,502,000	100.00%	IPEG Holdings Inc.	Full
Republic Machine Inc.	Kentucky (USA)	USA	USD	100	100.00%	IPEG Inc.	Full
Thermal Care Inc.	Illinois (USA)	USA	USD	1,000	100.00%	IPEG Inc.	Full
Pelletron Corp.	Pennsylvania (USA)	USA	USD	1,000	100.00%	IPEG Inc.	Full
Conair Mexicana S.A. de C.V.	Guadalupe (Mexico)	Messico	MXN	52,739,210	100.00%	IPEG Inc.	Full
International Plastics Equipement Group S.A. de C.V.	Guadalupe (Mexico)	Messico	MXN	50,000	100.00%	IPEG Inc.	Full
Pelletron Europe GmbH	Bodnegg (Germany)	Germania	EUR	-	100.00%	IPEG Inc.	Full

Company name	Registered office	Country	Currency	Share capital at 30/06/2022	% shareholding	Shares held Shareholder-Partner	Consolidation method
Conair Pacific Equipement Pte Ltd	(Singapore)	Singapore	SND	10,000	100.00%	IPEG Inc.	Full
Conair Trading (Shangai) Co Ltd	Shangai (China)	Cina	CNY	-	100.00%	IPEG Inc.	Full
Conair Asia Pte Ltd	(Singapore)	Singapore	SND	10,000	100.00%	IPEG Inc.	Full
Conair Asia Pte Ltd	Taiwan	Taiwan	TWD	17,900,000	100.00%	0	Full
Piovan Industrial Automation (Suzhou) Co., Ltd.	Suzhou (Cina)	Cina	CNY	40,000,000	100.00%	Piovan S.p.A.	Full
Equity investments in affiliated companies:							
CMG S.p.A.	Budrio (BO)	Italia	EUR	1,250,000	20%	Piovan S.p.A.	Equity method
NuVu Conair Private LTD	Ahmedabad (India)	India	INR	19,915,000	100.00%	IPEG Inc.	Equity method

(*) The investment in Piovan Asia Pacific Ltd is wholly owned, through direct control for 49% and indirectly through a trust for the remaining share, in order to bring the company structure in line with local regulations in relation to the activity carried out by the Company.

Santa Maria di Sala (Venice), September 8, 2022

On behalf of the Board of Directors

Executive Chairman

Nicola Piovan

DECLARATION OF THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AS PER ARTICLE 154-BIS OF LEG. DECREE NO. 58 OF 24.02.1998 AND ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF MAY 14, 1999 AND SUBSEQUENT AMENDMENTS AND SUPPLEMENTS

Santa Maria di Sala, September 8, 2022

The undersigned Filippo Zuppichin, Chief Executive Officer, and Giovanni Rigodanza, Executive Officer for Financial Reporting of Piovan S.p.A. declare, also in consideration of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:

- the accuracy of the information on company operations and
- the effective application

of the administrative and accounting procedures for the drawing up of the Consolidated Half-Year Financial Report for the first half of 2022.

No significant aspect emerged concerning the above.

It is also declared that the Consolidated Half-Year Financial Report at June 30, 2022:

a) were prepared in accordance with international accounting standards, endorsed by the European Union pursuant to EU regulation No. 1606/2002 of the European Parliament and Council, of July 19, 2002;

b) correspond to the underlying accounting documents and records;

c) provide a true and fair view of the financial position, balance sheet and operating results of the issuer and of the companies included in the consolidation.

The Interim Directors’ Report includes a reliable analysis on the performance and operating result as well as the situation of the issuer and of the companies included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed.

It also presents a reliable analysis of the significant transactions with related parties.

The Chief Executive Officer	The Executive Officer for Financial Reporting
Filippo Zuppichin	Giovanni Rigodanza

AUDITORS' REPORT ON THE LIMITED AUDIT OF THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AT JUNE 30, 2022

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REPORT ON REVIEW OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Piovan S.p.A.

Introduction

We have reviewed the accompanying half-yearly condensed consolidated financial statements of Piovan S.p.A. and subsidiaries (the "Piovan Group"), which comprise the consolidated statement of financial position as of June 30, 2022, consolidated statement of profit and loss, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the six month period then ended, a summary of significant accounting policies and other explanatory notes. The Directors are responsible for the preparation of the half-yearly condensed consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the half-yearly condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements of Piovan Group as at June 30, 2022 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Barbara Moscardi
Partner

Treviso, Italy
September 8, 2022

This report has been translated into the English language solely for the convenience of international readers.

Version 1.0

PiovanGroup

Consolidated Half-Year Financial Report

at June 30, 2022 of Piovan S.p.A. PIOVAN S.p.A.

Via delle Industrie 16 – 30036

S. Maria di Sala VE - Italy