



PERIODIC
FINANCIAL
STATEMENTS

at September 30, 2021

CONTENTS

Board of Directors of the parent company Piovan S.p.A.	5
Presentation and Group structure	9
Group Performance	12
General economic overview	12
Significant events in the period	12
Subsequent events to the end of the period.....	14
Outlook	14
Group operating performance	16
Equity and financial profile of the Group	20
Consolidated financial statements at September 30, 2021.....	24
Consolidated statement of financial position	24
Consolidated statement of profit and loss	26
Consolidated statement of comprehensive income	27
Consolidated statement of cash flows	28
Statement of changes in consolidated equity	29
Explanatory notes to the consolidated financial statements	30
Explanatory Notes to the Consolidated Statement of Financial Position	38
Explanatory Notes to the Consolidated Statement of Profit and Loss	54
Other Information	61

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

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

Telephone: +39 041 5799111

Certified e-mail: piovanspa@legalmail.it

E-mail: info@piovan.com

Website: www.piovangroup.com

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

Tax No.: 02307730289 VAT No.: 02700490275

Venice Economic & Administrative Registration No. 235320

Board of Directors of the parent company Piovan S.p.A.

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

Board of Directors

In office until April 29, 2021, date of the Shareholders' AGM for the approval of the 2020 Annual Accounts.

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

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

(**) Director appointed lead independent director as per Article 2.C.4 of the Self-Governance Code.

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

Name	In charge
Nicola Piovan	Executive Chairman
Filippo Zuppichin	Chief Executive Officer
Marco Stevanato	Director
Marco Maria Fumagalli (*) (**)	Independent Director
Mario Cesari (*)	Independent Director
Antonella Lillo (*)	Independent Director
Manuela Grattoni (*)	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 until April 29, 2021, date of the Shareholders' AGM for the approval of the 2020 Annual Accounts.

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

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 until April 29, 2021

Name	In charge
Chiara Mio	Chairman
Marco Maria Fumagalli	
Mario Cesari	

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 until April 29, 2021

Name	In charge
Lucia Giancaspro	Chairman
Marco Maria Fumagalli	
Chiara Mio	

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 until April 29, 2021

Name	In charge
Marco Maria Fumagalli	Chairman
Lucia Giancaspro	
Mario Cesari	

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

Name	In charge
Marco Maria Fumagalli	Chairman
Mario Cesari	
Manuela Grattoni	

Organismo di Vigilanza (Supervisory Board)

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

Name	In charge
Patrizia Santonocito	Chairman
Giovanni Boldrin	
Chiara Zilio	

Significant shareholders

Based on the shareholders' register, through communications received in accordance with Article 120 of Legislative Decree No. 58/98 and other information available to the company, the shareholders of Piovan S.p.A. with holdings of greater than 5% as of the latest update were:

Declarant	Direct shareholder	% of ordinary share capital (*)	% of voting share capital (**)	% of ordinary share capital (***)	% of voting share capital (****)
Nicola Piovan	Pentafin S.p.A	57,915	62,466	60,952	64,841
7INDUSTRIES HOLDING BV	7INDUSTRIES HOLDING BV	9,282	13,412	9,769	13,922
Allianz SE	ALLIANZ IARD SA	7,799	5,735	8,207	5,953

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

(**) Share capital expressed as number of votes 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: 50,929,300, 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

Marco Mammano, the current General Manager of Piovan S.p.A., has been appointed as the interim Executive Officer for Financial Reporting in accordance with Article 154-bis of the Consolidated Finance Act effective from April 18, 2021. It should also be noted that the company has appointed Giovanni Rigodanza as the Executive Officer for Financial Reporting in accordance with Article 154-bis of the Consolidated Finance Act effective from November 12, 2021.

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

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

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

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

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

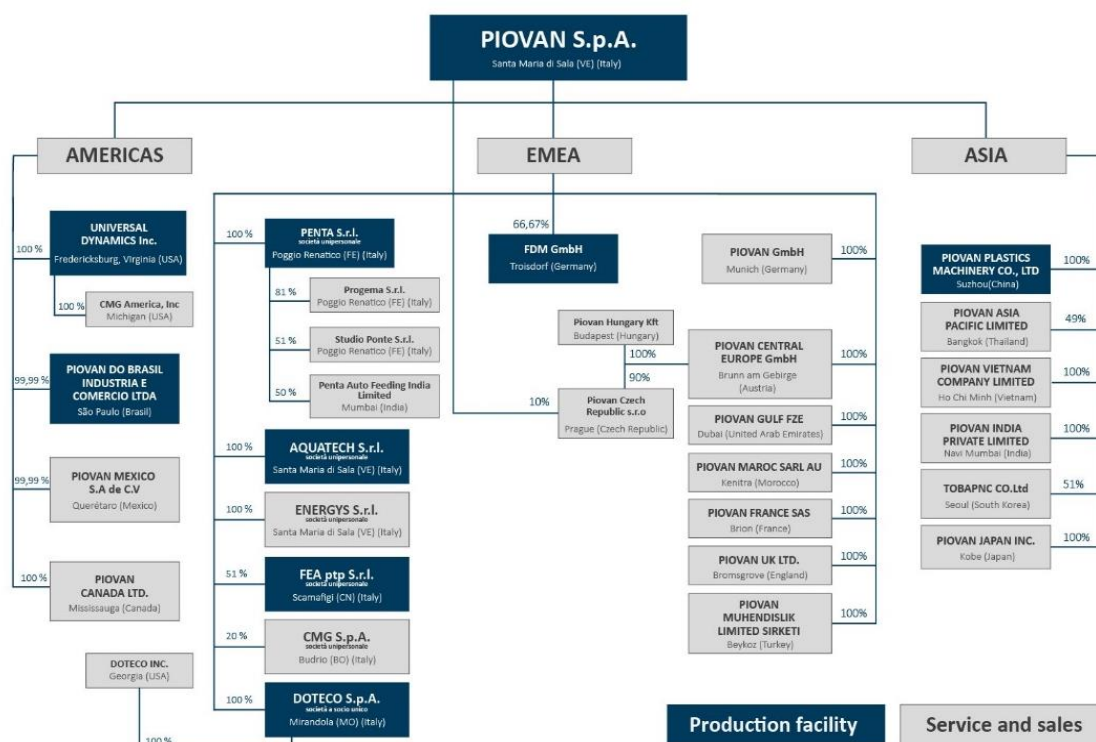
Today the Group comprises a network of direct or indirect subsidiaries of Piovan S.p.A., with sites in Europe, the United States and Asia, both thanks to organic growth dynamics and acquisitions. Finally, in October 2020, Doteco S.p.A., an Italian leader globally in technology for the dosing of plastic film and synthetic fibers, along with its U.S. subsidiary Doteco, Inc., joined the Piovan Group.

The strategic, managerial and operational direction of the Group, which as of September 30, 2021, comprises 31 service and commercial companies, including 9 production plants on 4 continents, is entrusted directly to Piovan S.p.A.

The global spread of Piovan Group companies creates a major competitive advantage, providing customers across its various markets with a uniform level of service quality, in addition to an extremely broad and constantly developing range of products. This range is a core feature of the Group's commercial offering, both for the processes of automated storage, transport and processing of plastics to every final sector, and for the transport and processing of food powders and creams, which has recently become an area of development within the Group's range, thanks to the subsidiaries Penta S.r.l. and FEA Process & Tecnologica 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 September 30, 2021



Group Performance

General economic overview

Within a landscape that remains heavily influenced by the COVID-19 pandemic, the International Monetary Fund (IMF) forecasts global economic growth for 2021 of 5.9%, while the gap between the advanced economies and many emerging markets is widening (as described in the World Economic Outlook of October 2021). Looking to 2022, the economy is expected to grow at a rate of 4.9%, up 0.5 percentage points from the IMF estimate from April 2021 to take account of the positive outlook for growth in advanced economies, such as the United States, which could benefit from legislative measures of fiscal support and a general improvement in the health of their populations as a result of vaccine roll-outs. Risks remain with regard to a potential slowing in vaccinations and the spread of more infectious variants of COVID-19, which could lead to increased restrictions and to consequent impacts on the economy. Although minimal, the slowdown in expected growth is due both to the pandemic and to delays in the supply chain that are fueling greater inflation in many countries.

The IMF deems the recent signs of renewed inflation to be transitory, as they are linked to the pandemic and to temporary imbalances between supply and demand, which should ease in 2022. In particular, we have seen a significant increase in the prices of certain raw materials and industrial components, as well as in transport costs, which are creating challenges for businesses in certain segments. The outlook in this regard is uncertain, and much will depend on the timing of the return to normality in markets around the world.

In this environment of continued uncertainty, the Piovan Group continued 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 has both limited the effects of the restrictions on mobility and minimized the risk related to local markets, facilitating the tapping into a broader range of opportunities.

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

Significant events in the period

Implications of the COVID-19 pandemic

The COVID-19 pandemic, which spread around the globe in 2020, has continued into 2021. 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 the first nine months of 2021, 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.

Given the strong performance in the first nine months of the year and the order backlog as at September 30, the Group is optimistic about 2021, 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.

Acquisitions

In Q3 2021, no acquisitions were completed.

It should be noted that, in October 2020, the Parent Company Piovan S.p.A. acquired 100% of the share capital of Doteco S.p.A., a company based in Modena and among the world leaders in dosing technology for plastic films (for food and non-food packaging) and synthetic fibers.

The transaction, carried out through the purchase of shares by Piovan S.p.A. with an outlay of Euro 20.5 million, provided for an adjustment of the price according to the net financial position (NFP) of the company at September 30, 2020, as well as a maximum earnout mechanism of Euro 7 million, calculated on the basis of the 2020-2021 EBITDA performance.

In H1 2021, the amount payable by Piovan S.p.A. as an adjustment to the value of NFP at September 30, 2020, was therefore measured at Euro 715 thousand, an amount which was paid to the sellers in May 2021.

Furthermore, in August 2021, 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 5,982 thousand, based on 2020 Doteco group EBITDA.

In accordance with the provisions of that agreement, the sellers will have the right to an integration of this earn-out should the 2021 EBITDA performance improve on 2020. The total earn-out payable to the sellers may not, in any event, exceed a total of Euro 7 million.

Other information

In July 2021, a ceremony was held for the signing of the accord with the Chinese government that will lead to the construction in China of a new production site for the Piovan Group over the next two years. The decision to invest in the construction of a new production site confirms the strategy the Group has been pursuing for years to invest in the development of a structured, international network to better serve customers around the world both pre and post-sale.

For other significant events occurring in the first and second quarters of 2021, see the previous quarterly financial report at March 31, 2021, and the consolidated half-year report at June 30, 2021.

Subsequent events to the end of the period

Purchase of land adjacent to the head office

On November 3, 2021, the parent company, Piovan S.p.A., signed a preliminary agreement for the purchase of approximately 25,000 sq. mtrs. of land adjacent to the head office for the purpose of potential future expansion.

Sustainability rating issued by Sustainalytics

In November 2021 Piovan Group obtained an ESG Risk Rating issued by Sustainalytics - a Morningstar company and leading independent ESG research, rating and data firm that support investors with the development and implementation of responsible investment strategies.

The rating is based on a "Comprehensive" analysis framework, a more in-depth methodology than the "Core" one previously used by Sustainalytics to assess the Piovan Group. The analysis considered aspects related to: human rights, occupational health and safety, carbon emissions, business ethics, human capital, environmental and social impact of products and services.

Piovan Group received an ESG Risk Rating of 21.9, which places Piovan in the Medium Risk category, improving by 11.8 points from the previous evaluation (33.7) with the best score in the categories:

- Carbon-Own Operations
- E&S Impact of Products and Services
- Occupational Health and Safety

In the global Sustainalytics ranking, Piovan is placed in the 29th percentile with the position improving further in the industrial Machinery Subindustry, where Piovan is placed in the 5th percentile.

Outlook

The Group confirms that set out in the 2020 Annual Financial Report regarding its desire to continue along the strategic path undertaken, the Group is focused on increasing its contribution to the circular economy by developing products and solutions for the recycling value chain, increasing acquisitions, and working to achieve greater market share in the Food & Non-Plastic segment.

Growth in acquisitions is driven by a desire to increase the Group's presence in specific geographical areas in which to improve commercial penetration and continue to develop a strategy that is as comprehensive and customer-centric as possible, with a particular focus on major customers distributed across the globe, thus ensuring the maintenance of its technology and service leadership. The Group is also looking to companies with products/technologies that can lengthen the value chain offered by the Group.

Revenue for the first nine months of 2021 has grown rapidly compared to both 2020 and 2019, including on a like-for-like consolidation scope, confirming the excellent performance of the Group as a whole.

Revenues have risen in all regions and in all markets, particularly in the Food & Non-plastic segment, which has benefited from the acquisition of a number of strategic contracts for major multinational organizations.

EBITDA improved both in absolute value and in terms of margin on revenue, benefiting from the increase in sales volumes.

The order backlog at September 30, 2021 exceeded historical levels for the Group as a result of a good level of new orders received in the first nine months of 2021.

As already discussed in the section concerning the implications of the COVID-19 pandemic, the Group is optimistic on the remainder of 2021, given the strong performance in the first nine months of 2021 and the current order backlog. Despite the ongoing vaccine roll-out and the safety protocols put in place at all of the Group's facilities, there remains a risk of a potential worsening of the spread of the COVID-19 virus, which could have an impact on the Group that cannot currently be foreseen, particularly with regard to the installation and start-up of new plants.

Alternative performance measures

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

Group operating performance

(amounts in €'000)	Economic performance indicators				Changes	
	Nine months ended September 30, 2021	% on total revenues and other income	Nine months ended September 30, 2020	% on total revenues and other income	2021 vs 2020	%
Revenue	206,100	97.7%	149,421	98.1%	56,680	37.9%
Other revenue and income	4,775	2.3%	2,849	1.9%	1,926	67.6%
TOTAL REVENUE AND OTHER INCOME	210,875	100.0%	152,269	100.0%	58,606	38.5%
EBITDA ^(*)	30,911	14.7%	20,002	13.1%	10,909	54.5%
OPERATING PROFIT	25,650	12.2%	15,923	10.5%	9,728	61.1%
PROFIT BEFORE TAXES	25,891	12.3%	15,118	9.9%	10,773	71.3%
Income taxes	7,484	3.5%	4,625	3.0%	2,859	61.8%
NET PROFIT	18,407	8.7%	10,493	6.9%	7,914	75.4%
Attributable to:						
Owners of the parent	18,853	8.9%	11,070	7.3%		
Non-controlling interests	(446)	(0.2%)	(577)	(0.4%)		
Earnings per share	0.37		0.22			
Basic and diluted earnings per share (in Euros)	0.37		0.22			

^(*) 9M 2020 EBITDA (indicated in the Periodic Financial Statements as at September 30, 2020 at Euro 20,050 thousand) was restated net of "Provisions" for comparability with the 9M 2021 figure, following a change to the indicators definition.

Piovan Group reports **revenue and other income** of Euro 210,875 thousand in the first nine months of 2021, increasing by 38.5% from Euro 152,269 thousand in the first nine months of 2020.

Excluding revenues recognized by the Doteco group and Studio Ponte S.r.l., which are consolidated into the financials of the Piovan Group from October 1, 2020, total revenues and other income amounted to Euro 195,090 thousand, with an increase of 28.1%.

Piovan Group core revenue alone amounted to Euro 206,100 thousand, increasing on Euro 149,421 thousand in the first nine months of 2020 (+37.9%).

Revenue calculated on a like-for-like basis (i.e. at the average exchange rate for the first nine months of 2020) would have increased by Euro 2,871 thousand, with revenue equal to Euro 208,971 thousand, up. 39.9% on the first nine months of 2020. Revenue was in fact mainly impacted by a negative effect from US Dollar and Brazilian Real movements.

Other revenue and income, which was up 67.6% on the first nine months of 2020, include non-recurring revenue in the amount of Euro 1,550 thousand related to financing received by U.S. subsidiary Unadyn Dynamic Inc. (hereinafter also "Unadyn") received from the U.S. government under the Paycheck Protection Program launched in 2020 in response to the pandemic, which was converted into a grant following approval by the issuing body.

Excluding these non-recurring revenues, total revenues and other income amounted to Euro 209,325 thousand, up 37.5% on the same period of 2020.

On a like-for-like consolidation basis and excluding the non-recurring revenues related to the grant described above, total revenues and other income amounted to Euro 193,540 thousand, up 27.1% on the first nine months of 2020.

Revenue for the third quarter of 2021 (Euro 64,949 thousand) increased sharply (+30.8%) compared to the third quarter of 2020 (Euro 49,673 thousand).

EBITDA improved both in absolute value and in terms of margin on revenue, totaling Euro 30,911 thousand, an increase of 54.5% compared to Euro 20,002 thousand in the same period of the previous year. On a like-for-like consolidation basis and excluding non-recurring revenues, EBITDA comes to Euro 26,472 thousand, with an increase of 32.4%.

The margin on total revenue went from 13.1% for the first nine months of 2020 to 14.7% for the first nine months of 2021, having benefited from the increase in sales volumes and the grant received as mentioned above. Without this grant, EBITDA would be Euro 29,361 thousand for a margin on total revenues and other income of 14.0%, compared to 13.1% for the same period of 2020.

EBIT totaled Euro 25,650 thousand, up from Euro 15,923 thousand in the previous year (+61.1%). On a like-for-like consolidation basis and excluding non-recurring revenues, EBIT comes to Euro 21,652 thousand, an increase of 36.0%.

The EBIT margin on total revenues and other income came to 12.2%, compared to 10.5% for the same period of the previous year.

The **net profit** was Euro 18,407 thousand, increasing (+75.4%) on the Euro 10,493 thousand of the same period of the previous year. The margin on total revenue and other income was 8.7%. On a like-for-like consolidation basis and excluding non-recurring revenues, net profit comes to Euro 15,037 thousand, an increase of 43.3%.

Basic and diluted earnings per share came to Euro 0.37 at September 30, 2021, compared to Euro 0.22 at September 30, 2020.

Revenue by market and region

The breakdown of revenue by market is as follows:

	First nine months 2021	%	First nine months 2020	%	Change	Change %
Plastic	158,386	76.8%	115,921	77.6%	42,465	36.6%
Food & non plastic	22,759	11.0%	13,469	9.0%	9,290	69.0%
Services	24,955	12.1%	20,031	13.4%	4,924	24.6%
Revenue	206,100	100.0%	149,421	100.0%	56,679	37.9%

Revenue by market indicates:

- Plastic Systems revenue increased by 36.6% compared to the same period of the previous year, which had been impacted by the COVID-19 travel restrictions, driven by marked growth in (traditional and recycled) packaging and in consumer goods;
- Revenues from Food & Non-plastic Systems performed well in both absolute terms and as a percentage of total revenues, increasing 69.0% on the first nine months of 2020 thanks to a strong order backlog at the end of 2020, which was developed in the first part of 2021, and the acquisition of strategic orders for major multi-nationals;
- the Services market posted revenue growth (+24.6%) on the first nine months of 2020, in line with expectations as defined in the Group's business plan.

The breakdown of revenue by region is as follows:

	First nine months 2021	%	First nine months 2020	%	Change	Change %
EMEA	135,117	65.6%	94,211	63.1%	40,906	43.4%
ASIA	23,008	11.2%	17,972	12.0%	5,036	28.0%
NORTH AMERICA	37,599	18.2%	29,643	19.8%	7,956	26.8%
SOUTH AMERICA	10,376	5.0%	7,595	5.1%	2,781	36.6%
Revenue	206,100	100.0%	149,421	100.0%	56,679	37.9%

Revenues in the EMEA area posted record growth of 43.4% over the first nine months of 2020, benefiting from the strong performance of the Plastics segment and excellent growth in the Food & Non-plastic market (+48% for the first nine months of 2021 compared to the same period of 2020).

Asia and North America grew by 28.0% and 26.8%, respectively, in 2021 on 2020, with revenues increasing in both the Plastics and Services markets. North America posted growth in all sectors, with the exception of Automotive, on the strength of Food & Non-plastics, where revenues accounted for more than 7% of the area total (vs. 0.2% for the same period of 2020). In Asia, growth was spotty, with the regions of southeast Asia continuing to feel the effects of the COVID-

19 pandemic and China showing a slower-than-expected recovery. Within this context of greater uncertainty than in other regions, the Group is increasing market share compared to the leading competitors.

South America also posted a strong performance (+36.6% in revenues compared to the first nine months of 2020) thanks, above all, to revenues in Food & Non-plastics (+126%) and in Services (+34%).

Equity and financial profile of the Group

The financial structure of the Piovan Group as at September 30, 2021, is summarized below.

Group net financial position

It should be noted that, beginning with publication of the Consolidated Half-Year Financial Report at June 30, 2021, the Company has adopted the new layout for Net Financial Position (NFP) called for in the Consob Call for Attention No. 5/21 of April 29, 2021, which implements the EMSA Guidelines 32-382-1138 of March 4, 2021.

Compared to the layout previously used, the account “trade payables and other non-current liabilities” is now also included.

€/000	30.09.2021	31.12.2020	30.09.2020
A. Cash	86,000	87,452	57,165
B. Cash equivalents	-	-	5,000
C. Other current financial assets	4,105	5,146	5,239
D. Liquidity (A+B+C)	90,105	92,598	67,404
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	(31,333)	(23,046)	(24,814)
F. Current portion of non-current financial debt	(16,077)	(17,833)	(11,402)
G. Current financial indebtedness (E+F)	(47,410)	(40,879)	(36,216)
H. Net current financial indebtedness (G-D)	42,696	51,719	31,188
I. Non-current financial debt (excluding current portion and debt instruments)	(37,218)	(47,379)	(28,363)
J. Debt instruments	-	-	-
K. Non-current trade and other payables	(1,805)	(363)	(274)
L. Non-current financial indebtedness (I+J+K)	(39,023)	(47,742)	(28,637)
M. Total net financial position (H+L)	3,673	3,977	2,551

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

- regarding provisions, see Note [17] – Employee benefit plans and Note [18] – Provisions for risks and charges, which include the amounts attributable to these cases;
- with reference to bank guarantees, refer to the information already reported in the Half-Year Financial Report at June, 2021.
- the Company has also accounted for Liabilities for options granted to minority shareholders in the amount of Euro 1,865 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. For more information, see Note [24];
- commitments related to lease agreements that are not recognized as liabilities in the financial statements as they do not fall within the scope of IFRS 16 total approximately Euro 1,520 thousand.

The NFP presentation at September 30, 2021, shows a cash position of Euro 3,673 thousand, down Euro 304 thousand on December 31, 2020. Compared to September 30, 2020, net cash generated comes to Euro 1,122 thousand.

Total NFP, net of the total of “Trade payables and other non-current liabilities”, totaled a positive cash position of Euro 5,478 thousand (an increase of Euro 1,138 thousand on the Euro 4,340 thousand of December 31, 2020). Compared with the figure at September 30, 2020, the increase was Euro 2,653 thousand.

Excluding the effects of application of IFRS 16, the Group’s net financial position at September 30, 2021, was a positive cash position of Euro 14,088 thousand, compared to Euro 14,425 thousand at the end of December 2020. Compared to the Euro 10,132 thousand at September 30, 2020, net cash generated comes to Euro 3,956 thousand.

Leaving out the NFP from both the caption “Trade payables and other non-current payables” and the effect of IFRS 16, the net cash generated in the last 12 months would therefore have been Euro 5,485 thousand. This result is even stronger considering that:

- in May 2021, the parent company distributed dividends of Euro 6,721 thousand (Euro 5,602 thousand in the fourth quarter of 2020) and paid Doteco price adjustments of Euro 715 thousand;
- in August 2021, the Parent Company paid a 2020 earn-out related to the acquisition of the Doteco group. It should be noted that the 2020 financial statements show a total liability of Euro 7 million, given that recognition of the entire amount payable to the counterparty was deemed probable, and that the difference – of Euro 1,018 thousand – is to be paid approximately by August 2022, also on the assumption that the amount is actually due based on Doteco’s 2021 performance.

Capital expenditures totaling Euro 1,194 thousand were made in the first nine months of 2021 (Euro 1,368 thousand in the first nine months of 2020).

It should be noted that financial position includes medium/long-term loans, mainly relating to the Parent Company, for Euro 44,712 thousand, of which Euro 16,077 thousand repayable within 12 months and the remaining Euro 28,635 thousand within 5 years. The loans, which are almost entirely subscribed in Euro, are not supported by guarantees, except for the Euro 5,500 thousand loan, subscribed by the Parent Company at the end of 2020, backed by the “Small and Medium Enterprise Guarantee Fund” managed by Banca del Mezzogiorno – MedioCredito Centrale S.p.A.

The US subsidiary Unadyn received a loan in May 2020 from the Paycheck Protection Program (PPP) in the amount of USD 1,855,042 which, having been fully converted into a grant in June 2021, no longer requires repayment.

In June 2021, the Korean company TOBA PNC received KRW 500 million (Euro 365 thousand approx.) in financing from the Korean government agency to support the small and medium enterprises (SMEs) impacted by the COVID-19 pandemic. The interest rate is 2.03% and the loan duration is 5 years, including an interest-only period for the first two years.

Medium/long-term loans were repaid for Euro 10,205 thousand during the first nine months of 2021.

Net non-current assets

Net non-current assets represented by property, plant and equipment, intangible assets and equity investments, amounting to Euro 78,162 thousand, decreased Euro 1,847 thousand, due both to amortization and depreciation in the period and investments.

Net non-current assets (amounts in €'000)	At 30 th September 2021	At 31 st December 2020
Property, plant and equipment	51,064	52,324
Intangible assets	26,895	27,529
Equity investments	203	155
Net non-current assets	78,162	80,009

At September 30, 2021, the net carrying value of rights-of-use recorded against the application of the accounting standard IFRS 16 - Leases comes to Euro 9,745 thousand, whereas at December 31, 2020, it amounted to Euro 10,328 thousand. The change compared to December 31, 2020, mainly concerns the net effect of amortization and depreciation in the first nine months of 2021 and the recognition of new right-of-use contracts, specifically on vehicles and buildings. There were no significant changes in 2021 in the lease terms of existing contracts.

Investments

Total investments for the period under review came to Euro 1,194 thousand (Euro 1,368 thousand in the first nine months of 2020), none of which are recurring.

Net trade capital and net working capital

Net working capital for the period ended September 30, 2021, was as follows:

Net working capital (amounts in €'000)	At 30 th September 2021	At 31 st December 2020
Trade receivables	54,917	41,931
Inventories	43,588	36,920
Contract assets for work in progress	4,490	6,477
Trade payables	(39,591)	(39,912)
Advance from customers	(27,979)	(19,421)
Contract liabilities for work in progress	(6,154)	(5,101)
Net trade capital	29,272	20,893
Tax receivables	4,758	3,263
Other current assets	6,141	3,497

Net working capital (amounts in €'000)	At 30 th September 2021	At 31 st December 2020
Tax liabilities and social security contributions	(7,045)	(9,360)
Other current liabilities	(17,012)	(18,243)
Net working capital	16,113	50

Net Working Capital increased by Euro 16,063 thousand on December 31, 2020, essentially linked to the increase in inventories, in line with the increase in orders.

Trade receivables, partially offset by an increase in “Advance from customers”, increased as a result of the growing in revenue.

It should be noted that other current liabilities include a decrease of Euro 5,982 thousand related to payment of the Doteco earn-out, which was offset by changes in the other items included in this aggregate.

Medium/long term liabilities

(amounts in €'000)	As at 30 th September 2021	As at 31 st December 2020
Liabilities for employee benefits plans	6,611	6,376
Provision for risks and charges	4,208	3,813
Other non-current liabilities	1,805	363
Deferred tax liabilities	2,580	2,713
Medium/long-term liabilities	15,203	13,265

At September 30, 2021, medium/long-term liabilities increased by approximately Euro 1,938 thousand on the previous year. The main changes relate to the increase in other non-current liabilities, which include the estimate related to the medium and long-term employee incentive plans.

Consolidated financial statements at September 30, 2021

Consolidated statement of financial position

(thousands of Euro)

ASSETS	Notes	30.09.2021	31.12.2020
NON-CURRENT ASSETS			
Property, plant and equipment	Note 1	51,064	52,324
Intangible assets	Note 2	26,895	27,529
Equity investments	Note 3	203	155
Other non-current assets	Note 4	491	576
Deferred tax assets	Note 5	5,220	4,788
TOTAL NON-CURRENT ASSETS		83,873	85,372
CURRENT ASSETS			
Inventories	Note 6	43,588	36,920
Contract assets for work in progress	Note 7	4,490	6,477
Trade receivables	Note 8	54,917	41,931
Current financial assets	Note 9	4,105	5,146
Tax receivables	Note 10	4,758	3,263
Other current assets	Note 11	6,141	3,497
Cash and cash equivalents	Note 12	86,000	87,452
TOTAL CURRENT ASSETS		204,000	184,686
TOTAL ASSETS		287,873	270,058

LIABILITIES AND EQUITY	Notes	30.09.2021	31.12.2020
EQUITY			
Share capital	Note 13	6,000	6,000
Legal reserve	Note 13	1,200	1,200
Reserve for own shares in portfolio	Note 13	(2,250)	(2,250)
Translation reserve	Note 13	(2,097)	(3,756)
Other Reserves and retained earnings	Note 13	64,994	53,576
Net profit (loss)	Note 13	18,853	17,643
Equity attributable to the owners of the parent		86,700	72,414
Equity attributable to non-controlling interests	Note 15	1,696	2,219
TOTAL EQUITY		88,396	74,632
NON-CURRENT LIABILITIES			
Long-term loans	Note 16	28,635	38,262
Non-current financial liabilities	Note 16	8,583	9,117
Employee benefits plans	Note 17	6,611	6,376
Provision for risks and charges	Note 18	4,208	3,813
Non current liabilities for options granted to non-controlling interest	Note 19	1,125	1,865
Other non-current liabilities	Note 20	1,805	363
Deferred tax liabilities	Note 5	2,580	2,713
TOTAL NON-CURRENT LIABILITIES		53,546	62,509
CURRENT LIABILITIES			
Current portion of long-term loans	Note 16	16,077	17,833
Current bank loans and borrowings	Note 16	29,015	21,305
Current financial liabilities	Note 16	2,318	1,741
Trade payables	Note 21	39,591	39,912
Advance from costumers	Note 22	27,979	19,421
Contract liabilities for work in progress	Note 7	6,154	5,101
Current liabilities for options granted to non-controlling interests	Note 19	740	(0)
Tax liabilities and social security contributions	Note 23	7,045	9,360
Other current liabilities	Note 24	17,012	18,243
TOTAL CURRENT LIABILITIES		145,931	132,916
TOTAL LIABILITIES		199,477	195,426
TOTAL LIABILITIES AND EQUITY		287,873	270,058

Consolidated statement of profit and loss
(thousands of Euro)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS	Notes	30.09.2021	30.09.2020
Revenue	Note 25	206,100	149,421
Other revenue and income	Note 26	4,775	2,849
TOTAL REVENUE AND OTHER INCOME		210,875	152,269
Costs of raw materials, components and goods and changes in inventories	Note 27	84,647	58,114
Services	Note 28	41,933	31,270
Use of third party assets	Note 29	1,182	913
Personnel expenses	Note 30	49,571	40,171
Other expenses	Note 31	2,115	1,751
Provisions for risks and charges	Note 32	517	48
Amortisation and depreciation	Note 33	5,260	4,079
TOTAL COSTS		185,224	136,347
OPERATING PROFIT		25,650	15,923
Financial income	Note 34	322	391
Financial Expenses	Note 34	(542)	(450)
Net exchange rate gain (losses)	Note 35	350	(860)
Gains (losses) on liabilities for option granted to non controlling interests	Note 36	-	114
Profit (losses) from equity investments carried at equity	Note 37	111	-
PROFIT BEFORE TAXES		25,891	15,118
Income taxes	Note 38	7,484	4,625
NET PROFIT		18,407	10,493
ATTRIBUTABLE TO:			
Owners of the parent		18,853	11,070
Non-controlling interests		(446)	(577)
Earnings per share			
Basic earnings per share (in Euros)	Note 14	0.37	0.22
Diluted earnings per share (in Euros)	Note 14	0.37	0.22

Consolidated statement of comprehensive income
(thousands of Euro)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	30.09.2021	30.09.2020
Net profit	18,407	10,493
Items that may be subsequently reclassified to profit or loss:		
- Exchange rate differences	1,681	(2,161)
Items that may not be subsequently reclassified to profit or loss:		
- Actuarial gains (losses) on employee benefits net of the tax effect	-	3
- Actuarial gains on agents' termination benefits net of the tax effect	-	(3)
Total Comprehensive income	20,088	8,334
attributable to:		
- Owners of the parent	20,534	8,909
- Non-controlling interests	(446)	(577)

Consolidated statement of cash flows
(thousands of Euro)

Consolidated Statement of Cash Flow	30.09.2021	30.09.2020
OPERATING ACTIVITIES		
Net profit	18,407	10,493
Adjustments for:		
Amortisation and depreciation	5,260	4,079
Inventory write-down and bad debt provision	1,820	228
- Net non-monetary financial charges	-	-
- Net non-monetary financial (income)	74	20
Change in provisions for risks and charges and employee benefits liabilities	592	188
Net capital (gains) losses on sale of fixed assets and equity investments	(20)	(17)
Non-monetary changes related to liabilities for options granted to non-controlling interests	-	(115)
Investment equity valuation	(51)	-
Other non-monetary variations	(1,545)	(225)
Taxes	7,484	4,625
Cash flows from operating activities before changes in net working capital	32,021	19,276
(Increase)/decrease in trade receivables	(13,100)	7,108
Increase in inventories	(7,189)	(5,772)
(Increase)/decrease in other current assets	(2,218)	(831)
Increase/(decrease) in trade payables	(560)	(13,090)
Increase/(decrease) in advance from customers	8,558	3,842
Increase/(decrease) in other current liabilities	852	3,362
(Increase)/decrease in non-current assets	87	623
Increase/(decrease) in non-current liabilities	1,738	(550)
Income taxes paid	(4,390)	(5,369)
CASH FLOWS FROM OPERATING ACTIVITIES (A)	15,799	8,599
INVESTING ACTIVITIES		
Investments in property, plant and equipment	(742)	(1,158)
Investments in intangible assets	(455)	(210)
Disinvestments/(investments) in financial assets	967	1,060
Disinvestments in equity investments	(6,697)	-
Business combinations net of the acquired cash		
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	(6,927)	(308)
FINANCING ACTIVITIES		
Issuance of loans	373	3,622
Repayment of bank loans	(10,204)	(3,035)
Change in current bank loans and borrowings	7,710	(2,014)
Repayment of bonds		
Increase/(decrease) in other financial liabilities	(1,475)	(1,212)
Purchase of minority interests in subsidiaries	-	(2,836)
Dividends paid	(6,721)	
CASH FLOWS USED IN FINANCING ACTIVITIES ©	(10,316)	(5,475)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	(1,444)	2,817
EFFECT OF EXCHANGE RATE CHANGES ON BALANCE OF CASH HELD IN FOREIGN CURRENCY	(8)	225
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (E)	87,452	59,123
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (G=D+E+F)	86,000	62,165
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,444)	2,816
INTERESTS PAID	318	514

Statement of changes in consolidated equity
(thousands of Euro)

	Share Capital	Legal reserve	Treasury shares	Translation reserve	Other reserves and retained earnings	Profit for the year att. to the owner of the parent	Equity attributable to the owners of the parent	Equity att. to non-controlling interests	TOTAL EQUITY
Balance at Jan, 1st, 2020	6,000	1,200	(2,250)	(1,211)	38,938	18,700	61,377	3,774	65,151
Distribution of dividends	-	-	-	-	-	-	-	-	-
Allocation of prior year profit	-	-	-	-	18,700	(18,700)	-	-	-
Change in non-controlling interests	-	-	-	8	1,374	-	1,382	(1,382)	-
Total comprehensive income	-	-	-	(2,161)	0	11,070	8,909	(577)	8,333
Balance at September 30th, 2020	6,000	1,200	(2,250)	(3,363)	59,012	11,070	71,668	1,815	73,484

	Share Capital	Legal reserve	Treasury shares	Transaltion reserve	Other reserves and retained earnings	Profit for the year att. To the owner of the parent	Equity attributable to the owners of the parent	Equity att. To non-controlling interests	TOTAL EQUITY
Balance at Jan, 1st, 2021	6,000	1,200	(2,250)	(3,756)	53,576	17,643	72,414	2,219	74,632
Distribution of dividends	-	-	-	-	(6,621)	-	(6,621)	(100)	(6,721)
Allocation of prior year profit	-	-	-	-	17,643	(17,643)	-	-	-
Incentive Plan	-	-	-	-	396	-	396	-	396
Change in non-controlling interests	-	-	-	(22)	-	-	(22)	22	-
Total comprehensive income	-	-	-	1,681	-	18,853	20,534	(445)	20,089
Balance at September 30th, 2021	6,000	1,200	(2,250)	(2,097)	64,994	18,853	86,701	1,696	88,396

Explanatory notes to the consolidated financial statements

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

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

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

The Group at September 30, 2021, comprised 31 companies located on 4 continents, of which 9 production companies and 22 commercial and service companies.

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

Piovan S.p.A, as a listed company, is subject to Article 2.2.3 of the Stock Exchange regulation. According to this regulation, the Company has prepared this Consolidated Half-Year Financial Report at September 30, 2021, which is made available to the public.

The Periodic Financial Statements at September 30, 2021, have been prepared as per Article 154-ter of Legislative Decree 58/98 and subsequent amendments, in addition to the Consob's Issuers' Regulation.

The Periodic Financial Statements include the results of the parent company and of the subsidiaries.

Content, form and basis of preparation of the Periodic Financial Statements at September 30, 2021

These Periodic Financial Statements at September 30, 2021 were drawn up according to the IAS/IFRS accounting standards endorsed by the European Union. For the preparation of the Periodic Financial Statements at September 30, 2021, IAS 34 ("Interim Reporting") concerning interim financial reporting was not adopted, due to the fact that the Group applies this standard to the half-year financial report and not only to the quarterly reporting.

The Periodic Financial Statements at September 30, 2021 include the results of the parent company and of the subsidiaries. These explanatory notes were prepared by the Board of Directors on the basis of the consolidation and accounting records updated to September 30, 2021.

Comparison is made with the statement of financial position at December 31, 2020 and with the statement of profit and loss and statement of comprehensive income, in addition to the statement of cash flow, at September 30, 2020.

The Periodic Financial Statements at September 30, 2021 include the consolidated statement of financial position, the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the statement of changes in consolidated shareholders' equity, in addition to the consolidated statement of cash flow and these notes for the period between January 1, 2021 and September 30, 2021. The Periodic Financial Statements at September 30, 2021, have been prepared on the basis of the historical cost convention, with the exception of derivative financial instruments which have been recognized at fair value as required by IFRS 9 - "Financial Instruments", and on a going-concern basis. The Group considers - also in view of its strong competitive positioning, its high profitability and the solidity of its balance sheet and financial position - that it operates as a going concern as per paragraphs 25 and 26 of IAS 1.

The Periodic Financial Statements at September 30, 2021 have been drawn up in thousands of Euro, which is the "functional" and "presentation" currency of the Piovan Group in accordance with IAS 21 "Foreign currency transactions". There may be rounding differences when individual line items are added together as the individual line items are calculated in euro (rather than in thousands of euro).

The preparation of the Periodic Financial Statements at September 30, 2021, in accordance with IAS/IFRS requires management to make estimates and assumptions which have an impact on the amounts reported in the financial statements and the relative notes; actual results may differ from the estimates made. Reference should be made to the Annual Consolidated Financial Report at December 31, 2020 with regards to the main areas requiring the use of estimates and assumptions.

COVID-19 impacts

Starting from the initial months of last year, the COVID-19 global pandemic emergency evolved, which significantly impacted the population and the global economy putting significant pressure on national health systems and with the gradual introduction by governmental authorities of a series of measures to contain the risk of the virus's spread and emergency measures to support the economy. The medium-term outlook is gradually improving thanks to the beginning of the vaccination campaigns in 2021 in various nations, although the world remains impacted by a landscape of great uncertainty due to new waves and variants of the virus, as cases are on the rise in many countries.

Even in this volatile environment, all Piovan Group companies remain fully operative, having adopted measures and protocols to protect employees as per the applicable local regulations.

The impact of this situation on the Group's activities is, to date, primarily due to a slowdown in activities at customers' sites following the restrictions introduced by Governments on the

mobility of staff working externally, which in certain cases delayed the execution of the concluding phases of a number of projects requiring installation activities.

The Parent Company, utilizing the support instrument for economic operators issued by the Executive, in 2020 obtained 3, 6 and 12-month moratoriums on loan repayment commitments. In addition, the US company received in May 2020 a government loan as per the Paycheck Protection Program (PPP) of USD 1,855,042, fully converted into a grant in June 2021, through approval by the lender and the competent authority (SBA - U.S. Small Business Administration) and therefore definitively acquired with the recognition of income to Other revenue in the period's statement of profit and loss. Finally, in June 2021, the Korean company TOBA PNC received KRW 500 million in financing from the Korean government agency to support the small and medium enterprises (SMEs) impacted by the COVID-19 pandemic.

Consolidation scope and basis

These Periodic Financial Statements at September 30, 2021, include the financial statements at September 30, 2021, of the parent company and of the Italian and overseas subsidiaries.

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

"Other information" in the Explanatory Notes outlines the companies included in the consolidation scope at September 30, 2021.

The consolidation criteria adopted to prepare the Periodic Financial Statements at September 30, 2021 are the same as those adopted and reported in the annual financial report at December 31, 2020.

The company decided not to proceed with the line-by-line consolidation of 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 subsidiaries excluded from full consolidation are:

Company	% of ownership as at 30.09.2021	% of ownership as at 30.12.2020
CMG America Inc. (*)	100%	100%

(*) CMG America Inc. is held by the company Universal Dynamics Inc.

Main accounting standards applied

In preparing the Periodic Financial Statements at September 30, 2021, the same accounting standards and policies used to prepare the Consolidated Financial Statements at December 31, 2020 were adopted and to which reference should be made, except as described below.

IFRS accounting standards, amendments and interpretations applicable to the Company and applied from January 1, 2021

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group from January 1, 2021:

- On May 28, 2020, the IASB published an amendment called "Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)". The amendments allow the temporary exemption from the application IFRS 9 to be extended until 1 January 2023 for insurance companies. The adoption of this amendment does not have effects on the consolidated financial statements of the Group.
- On August 27, 2020, the IASB published, in light of the reform on interbank interest rates such as IBOR, the document "Interest Rate Benchmark Reform-Phase 2" which contains amendments to the following standards:
 - IFRS 9 Financial Instruments;
 - IAS 39 Financial Instruments: Recognition and Measurement;
 - IFRS 7 Financial Instruments: Disclosures;
 - IFRS 4 Insurance Contracts; and
 - IFRS 16 Leases.
- On March 31, 2021, the IASB published an amendment entitled "Covid-19-Related Rent Concessions beyond June 30, 2021 (Amendments to IFRS 16)" which extends by one year the application period of the amendment to IFRS 16 issued in 2020 and relating to the accounting for benefits granted to lessees due to COVID-19. The document was endorsed by the European Union on August 30, 2021.

All the amendments entered into force as of January 1, 2021. 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 September 30, 2021

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

- 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.
- 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.
- 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).
- 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 will enter into force from January 1, 2022. 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 May 18, 2017, the IASB published IFRS 17 - Insurance Contracts which replaces IFRS 4 - Insurance Contracts.
- 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 1 January 2023 and early application is permitted.
- 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.

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

Accounting policies

In preparing the Periodic Financial Statements at September 30, 2021, the same accounting policies as those adopted to prepare the Annual Financial Report at December 31, 2020, were adopted and to which reference should be made, except as described below.

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 September 30, 2021, December 31, 2020, and September 30, 2020 (comparative data), are summarized below:

Currency		Average rate		Closing rate		
		30.09.2021	30.09.2020	30.09.2021	31.12.2020	30.09.2020
BRL	Brazilian Real	6.3809	5.7072	6.2631	6.3735	6.6308
CAD	Canadian Dollar	1.4976	1.5212	1.4750	1.5633	1.5676
CZK	Czech Koruna	25.7366	26.3861	25.4950	26.2420	27.2330
CNY	Yuan Renminbi	7.7407	7.8614	7.4847	8.0225	7.9720
GBP	Pound Sterling	0.8641	0.8845	0.8605	0.8990	0.9124
HUF	Forint	356.5264	348.1183	360.1900	363.8900	365.5300
MXN	Mexican Peso	24.0806	24.5148	23.7439	24.4160	26.1848

Currency		Average rate		Closing rate		
		30.09.2021	30.09.2020	30.09.2021	31.12.2020	30.09.2020
USD	US Dollar	1.1967	1.1241	1.1579	1.2271	1.1708
THB	Baht	37.7049	35.4304	39.2350	36.7270	37.0790
INR	Indian Rupee	88.0773	83.4336	86.0766	89.6605	86.2990
TRY	Turkish Lira	9.6980	7.5911	10.2981	9.1131	9.0990
AED	UAE Dirham	4.3949	4.1283	4.2524	4.5065	4.2998
JPY	Yen	129.7955	120.8365	129.6700	126.4900	123.7600
VND	Dong	27,512.1111	26,145.8889	26,350.0000	28,331.0000	27,143.0000
MAD	Dirham Morocco	10.6837	10.8100	10.4760	10.9190	10.8250
KRW	Won sud	1,353.9878	1,349.1167	1,371.5800	1,336.0000	1,368.5100

Any goodwill or recognition of adjustments to the fair value of net assets on the acquisition of foreign subsidiaries with a functional currency other than that of the parent company must be expressed in the functional currency of the foreign subsidiary and translated at the period-end exchange rate (in accordance with the general rules for translating financial statements with functional currencies other than those of the parent company).

Utilization of estimates

When preparing the Periodic Financial Statements at September 30, 2021, the Directors had to apply accounting policies and methods which, in some circumstances, are based on difficult, subjective evaluations, or on past experience or on assumptions that are, periodically, considered reasonable and realistic depending on the specific circumstances. The application of these estimates and assumptions impact upon the amounts reported in the financial statements, in addition to the disclosure.

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

There are no changes compared to Annual Financial Report for the year ended December 31, 2020, in the items most affected by these valuations and estimates.

Information on risks and financial instruments

The accounting policies applied in the preparation of the Periodic Financial Statements at September 30, 2021, for financial instruments are described in the "Accounting policies" section of the Annual Financial Report at December 31, 2020.

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

There were no changes compared to that indicated in the Annual Financial Report at December 31, 2020 regarding the risks to which the Group is exposed and their management. In particular,

with regards to the risks related to the general economic conditions, at the end of February 2020, following the outbreak of the COVID-19 health emergency, the general economic environment significantly deteriorated as a result of the restrictions introduced by the governments of the countries involved. These developments, which are extraordinary in nature and extent, have had and continue to have direct and indirect repercussions on economic activity, giving rise to an environment of general uncertainty. For further details, reference should be made to the "Covid-19 Impacts" paragraph.

Explanatory Notes to the Consolidated Statement of Financial Position

[1] Property, plant & equipment

They amount to Euro 51,064 thousand at September 30, 2021 (Euro 52,324 thousand at December 31, 2020). They are composed as shown in the following tables, which also present the changes for the first nine months of 2021.

CHANGES DURING THE PERIOD	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Total
Balance at 31st December 2020	38,193	9,306	231	4,339	255	52,324
of which:						
- Historical cost	45,074	19,580	5,808	17,056	255	87,774
- Depreciation fund	(6,881)	(10,274)	(5,578)	(12,717)		(35,450)
Changes in 2021						
- Additions	64	48	106	457	64	739
- IFRS16 effect	1,131			396		1,527
- Reclassifications (Historical cost)	125		(13)	13	(125)	
- Disposals (Historical cost)		(127)	(39)	(323)		(489)
- Disposals (Depreciation fund)		121	39	332		492
- Exchange rate differences (Historical cost)	412	188		81		681
- Exchange rate differences (Depreciation fund)	(33)	(126)	(1)	(55)		(215)
- Depreciation	(500)	(677)	(236)	(725)		(2,138)
- Depreciation IFRS16	(1,375)	(68)		(414)		(1,857)
- Discount rate exchange						
Balance at 30 September 2021	38,017	8,665	86	4,101	194	51,064
of which:						
- Historical cost	46,812	19,689	5,862	17,669	194	90,227
- Depreciation fund	(8,795)	(11,024)	(5,776)	(13,568)	-	(39,163)

Increased rights-of-use of Euro 1,518 thousand were recognized due to the accounting as per IFRS 16 of the new long-term lease contracts signed in the first nine months of 2021. The increase is principally due to the lease agreement for the production plant of the Chinese subsidiary Piovan Plastic Machinery and the expansion of the property of Doteco S.p.A.

The investments made in the first nine months of 2021, aimed to purchase molds, industrial and commercial equipment, mainly refer to Parent Company Piovan S.p.A.

At September 30, 2021, property, plant and equipment are not burdened by mortgages or liens.

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

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

Below is a table with the changes in the 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 2020	14,710	146	-	875	15,731
of which:					
- Historical cost	22,201	1,870	-	2,405	26,476
- Depreciation fund	(7,491)	(1,724)	-	(1,531)	(10,745)
Total movements IFRS16	1,131	-	-	396	1,527
- New IFRS16 contracts	1,148	-	-	370	1,518
- Lease term change (Historical cost)	(16)	-	-	29	13
- Lease term change (Depreciation fund)	35	-	-	(1)	34
- Exchange rate differences (Historical cost)	58	-	-	11	69
- Exchange rate differences (Depreciation fund)	(44)	-	-	(8)	(52)
- Disposals (Historical cost)	(53)	-	-	(25)	(78)
- Disposals (Depreciation fund)	3	-	-	20	23
- Depreciation	(1,375)	(68)	-	(414)	(1,857)
Balance at 30 September 2021	14,466	78	-	857	15,401
of which:					
- Historical cost	23,338	1,870	-	2,790	27,998
- Depreciation fund	(8,872)	(1,792)	-	(1,934)	(12,597)

[2] Intangible assets

They amounted to Euro 26,895 thousand at September 30, 2021, compared to Euro 27,529 thousand at December 31, 2020. The breakdown of the movements are as follows:

CHANGES DURING THE PERIOD	Goodwill	Industrial patent and intellectual property rights	Concessions, licences, trademarks and similar rights	Other intangible assets	Fixed assets under construction and advances	Total
Balance at 31 December 2020	22,158	497	50	4,774	49	27,529
Changes in 2021	-	-	-	-	-	-
- Additions	-	262	85	28	80	455
- Consolidation area change	-	-	-	-	-	-
- Disposals	-	-	-	-	-	-
- Dismissioni (Fondo ammortamento)	-	-	-	-	-	-
- Exchange rate differences (Historical cost)	182	8	5	53	1	249
- Exchange rate differences (depreciation fund)	-	(8)	(4)	(62)	-	(74)
- Depreciation	-	(305)	(12)	(948)	-	(1,265)
Balance at 30 September 2021	22,340	454	124	3,846	130	26,895

In the first nine months of 2021 the Group has made investments of approximately Euro 455 thousand, mainly relating to software licenses and industrial patents purchased from the Parent Company Piovan S.p.A..

Goodwill at September 30, 2021 amounted to Euro 22,340 thousand, with the movement on the Euro 22,158 thousand at December 31, 2020, only concerning the currency adjustments regarding that allocated to the UnaDyn CGU. The goodwill mainly refers to:

- to the UnaDyn CGU, deriving from the acquisition of the US subsidiary Universal Dynamics Inc. in 2008;
- to the Food CGU, as a result of:
 - the acquisition of a controlling interest in Penta S.r.l. at the end of 2014, with regard to which additional shares have since been acquired, which resulted in the Group holding all of the company's share capital as at December 31, 2020;
 - the acquisition of the majority holding in Progema S.r.l. in 2016;
 - and the acquisition of the majority holding in FEA in 2019;
- to the Energys CGU, from the acquisition of Energys S.r.l. in 2016;
- to the Toba CGU, from the acquisition of the majority holding in Toba PNC in 2019;
- to the Doteco CGU, from the acquisition of the Doteco Group in 2020, which, following the purchase price allocation, also resulted in the recognition of know-how as an intangible asset and of the order backlog, shown under "Other" in the table above.

Goodwill	31.12.2020	Increase	Decrease	Change in translation reserve	30.09.2021
UnaDyn	3,051	-	-	182	3,233
Food	2,146	-	-	-	2,146
Energys	276	-	-	-	276
Toba Pnc	982	-	-	-	982
Doteco	15,695	-	-	-	15,695
Other	8	-	-	-	8
Total	22,158	-	-	182	22,340

The Group has no goodwill which is tax deductible.

The change in the goodwill of UnaDyn derives from the change in the USD/Euro exchange rates at the end of each period; therefore, it is a non-cash movement.

[3] Investments

At September 30, 2021, equity investments amounted to Euro 204 thousand and increased as a result of the measurement at equity of the company Penta Auto Feeding India Ltd.

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

Company	Registered office	%	31.12.2020	Change in consolidation area	Increase / Decrease	30.09.2021
CMG S.p.A.	Budrio (BO)	20%	146	-	-	146
Studio Ponte S.r.l.	Poggio Renatico (FE)	50%	-	-	51	51
Piovan Maroc Sarl.AU	Kenitra (Marocco)	100%	-	-	-	-
Other			9	-	(2)	7
Total			155	-	49	204

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 reference to the investee Penta Auto Feeding India Ltd., it should be noted that at December 31, 2020, the value of the investment has been reduced to zero and a risk provision of Euro 59 thousand has also been set up. At September 30, 2021, in response to the profits realized by the company held, the related provision for risks was released in the amount of Euro 60 thousand, and the value of the investment was adjusted to the fraction of equity in the company held.

On April 29, 2019, the subsidiary Universal Dynamics Inc. acquired 100% of CMG America Inc. for consideration of USD 1. Following the investment valuation performed as at September 30, 2021, the value remains unchanged, as the subsidiary is as today non operating.

[4] Other non-current assets

At September 30, 2021, these amounted to Euro 491 thousand compared to Euro 576 thousand at December 31, 2020; they mainly refer to various security deposits paid by Group companies on utilities and lease contracts for buildings where Group companies have their headquarters.

[5] Deferred tax assets and liabilities

Deferred tax assets amounted to Euro 5,220 thousand at September 30, 2021, compared to Euro 4,788 thousand at December 31, 2020. 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. Unvalued tax losses are of an insignificant amount.

Deferred tax liabilities amounted to Euro 2,580 thousand at September 30, 2021, compared to Euro 2,713 thousand at December 31, 2020.

[6] Inventories

At September 30, 2021, they amounted to Euro 43,588 thousand, compared to Euro 36,920 thousand at December 31, 2020; the breakdown is shown below:

Inventories	30.09.2021	31.12.2020
Raw materials	10,482	6,833
Semi-finished products	16,925	18,594
Finished goods	20,506	14,986
Progress payments	1,135	735
Allowance for inventory write-down	(5,460)	(4,229)
Inventories	43,588	36,920

At September 30, 2021, inventories increased by Euro 7,900 thousand, gross of the obsolescence provision. The increase, mainly regarding the Raw materials and Finished products categories, relates to operational developments.

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

[7] Contract assets and contract liabilities for work-in-progress

At September 30, 2021, the item *Contract assets for work-in-progress* amounted to Euro 4,490 thousand, compared with Euro 6,477 thousand at December 31, 2020.

Contract liabilities for work-in-progress amounted to Euro 6,154 thousand at September 30, 2021, compared with Euro 5,101 thousand at December 31, 2020.

This principally refers to work-in-progress on contracts of the subsidiaries Penta S.r.l., FEA ptp S.r.l., and Piovan UK.

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

<i>Contract assets for work in progress</i>	30.09.2021	31.12.2020
Measurement of contracts in progress (costs incurred added to profits recognized)	18,387	10,729
Progress payments received	(13,896)	(4,252)
Amounts due from customers	4,490	6,477

<i>Contract liabilities for work in progress</i>	30.09.2021	31.12.2020
Measurement of contracts in progress (costs incurred added to profits recognized)	11,607	6,501
Progress payments received	(17,761)	(11,602)
Amounts due to customers	(6,154)	(5,101)

The value of *Contract assets for work-in-progress* decreased from December 31, 2021, due to the completion of a number of contracts in 2021.

The increase in *Contract liabilities for work-in-progress* compared to December 31, 2020, is due to the initial production of a number of contracts with greater advances received than the actual progress made. This primarily includes orders of the subsidiary Penta S.r.l.

The table below shows the changes in Assets and Liabilities for contract work-in-progress.

	31.12.2020	Decrease	Increase	30.09.2021
Contract assets for work in progress	6,477	(6,336)	4,349	4,490
Contract liabilities for work in progress	(5,101)	2,525	(3,578)	(6,154)

Revenue from contract work-in-progress amounted to Euro 24,066 thousand at September 30, 2021, and related mainly to Penta S.r.l., FEA ptp S.r.l. and Piovan UK.

[8] Trade receivables

They amounted to Euro 54,917 thousand at September 30, 2021, compared to Euro 41,931 thousand at December 31, 2020. This item, which represents the exposure to third parties, is broken down as follows:

	30.09.2020	31.12.2020
Gross trade receivables	60,659	46,905
Provision for bad debt	(5,741)	(4,974)
Trade receivables	54,917	41,931

Receivables in the first nine months of 2021, gross of the provision, posted a net increase on 2020 year-end (+29.3%). This increase is attributable, in particular, to the increase in revenues in 2021.

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

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

The annual provision is included under Other operating costs.

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

<i>Provision for bad debt</i>	
31.12.2020	4,974
Release	(65)
Accruals	791
Utilisations	(17)
Change in consolidation area	
Exchange rate differences	53
Riclassifications	5
30.09.2021	5,741

<i>Provision for bad debt</i>	
31.12.2019	4,793
Release	(249)
Accruals	1,317
Utilisations	(496)
Change in consolidation area	3
Exchange rate differences	(387)

<i>Provision for bad debt</i>	
Riclassifications	(7)
31.12.2020	4,974

[9] Current financial assets

They amounted to Euro 4,105 thousand at September 30, 2021, compared to Euro 5,146 thousand at December 31, 2020. This item includes 4 different bonds purchased in order to invest available financial resources. These instruments were measured at fair value (level 1) at September 30, 2021 as required by IFRS 9 and were classified as current financial assets in line with the purpose of using part of the available liquidity in low-risk and readily available instruments.

The reduction compared to the previous year derives from the redemption of a security following its natural maturity. The fair value measurement in the first half of 2021 led to recognition of a net expense of Euro 67 thousand.

[10] Tax receivables

They amounted to Euro 4,758 thousand at September 30, 2021, compared to Euro 3,263 thousand at December 31, 2020. VAT receivables mainly refer to the parent company Piovan S.p.A. and the subsidiary Penta S.r.l.

Tax receivables	30.09.2021	31.12.2020
VAT receivables	4,147	2,601
Other current tax assets	611	662
Tax receivables	4,758	3,263

[11] Other current assets

They amounted to Euro 6,141 thousand at September 30, 2021, compared to Euro 3,497 thousand at December 31, 2020. A breakdown follows:

Other current assets	30.09.2021	31.12.2020
Advances to suppliers	4,106	2,179
Receivables from parent	2	40
Prepayments and accrued expenses	1,222	870
Other receivables	812	409
Other current assets	6,141	3,497

[12] Cash and cash equivalents

They amounted to Euro 86,000 thousand at September 30, 2021, compared to Euro 87,452 thousand at December 31, 2020.

Cash and cash equivalents	30.09.2021	31.12.2020
Current accounts and post office deposits	85,979	87,431
Cash equivalent	0	0
Cash	22	21

Cash and cash equivalents	30.09.2021	31.12.2020
Cash and cash equivalents	86,000	87,452

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

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

At September 30, 2021, there were no restrictions on the availability of the Group's current accounts.

[13] Group shareholders' equity

Shareholders' Equity is made up as follows:

Equity attributable to the owners of the parent	30.09.2021	31.12.2020
Share capital	6,000	6,000
Legal reserve	1,200	1,200
Reserve for own shares in portfolio	(2,250)	(2,250)
Translation reserve	(2,097)	(3,756)
Other Reserves and retained earnings	64,994	53,576
Net profit (loss)	18,853	17,643
Equity attributable to the owners of the parent	86,700	72,414

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

Therefore the Company and the Group as at September 30, 2021 hold 2,670,700 treasury shares, equal to 4.98% of the share capital of Piovan S.p.A., directly through Piovan S.p.A. with a value of Euro 2,250 thousand at June 30, 2021.

It should be noted that under the 2020 - 2022 Performance Shares Plan, taking into account the achievement of the Plan's objectives, certain Group executives are entitled to receive shares in Piovan S.p.A. amounting to 118,940, the equivalent of which, gross of the tax effect, is Euro 534 thousand. These shares will vest permanently at the end of the vesting period if the executive still has an employment relationship with the Group.

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

The item Other reserves and undistributed profits mainly includes the other profit and capital reserves of the Parent Company, in addition to the consolidated profit for previous years and the effects of adjustments resulting from the adoption of international accounting standards. This item changed during 2021 following the allocation of the previous year's result and the

distribution of dividends of Euro 6,621 thousand, paid to the shareholders of the Parent Company in May 2021.

[14] Earnings per share

At September 30, 2021, the shares in circulation numbered 53,600,000 and the treasury shares held by Piovan S.p.A. amounted to 2,670,700.

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

Earnings per share was calculated by dividing the net profit attributable to the shareholders of the Parent Company by the weighted average number of ordinary shares in circulation during the reporting period. No ordinary shares were repurchased or issued during the years in question. However, it should be noted that in the context of the 2020 – 2022 Performance Share Plan, there are ordinary share that could be assigned, at the end of the vesting period, drawing on the share in Portfolio and which could have a diluting effect.

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

Earnings per share	30.09.2021	30.09.2020
Net Profit Attributable to Owners of the Parent (in thousands of Euros)	18,853	11,070
Weighted average number of ordinary shares (in thousands of units)	50,929	50,929
Basic earnings per share (in Euros)	0.37	0.22

The diluted earnings per share is as follows:

Earnings per share	30.09.2021	30.09.2020
Net Profit Attributable to Owners of the Parent (in thousands of Euros)	18,853	11,070
Weighted average number of ordinary shares (in thousands of units)	50,866	50,929
Dilutive earnings per share (in Euros)	0.37	0.22

[15] Minority interest shareholders' equity

The minority interest shareholders' equity at September 30, 2021 amounted to Euro 1,696 thousand compared to Euro 2,219 thousand at December 31, 2020. The account mainly includes the minority interests in the subsidiaries Progema S.r.l., FDM GmbH, FEA, Toba and Studio Ponte S.r.l.. The loss recorded for the first nine months of 2021 is mainly due to the minority-interest share of the subsidiary Toba and FEA, which reported a loss during the year.

During 2021, dividends were distributed in the amount of Euro 99 thousand to non-controlling interests of the company FDM GmbH.

Equity attributable to non-controlling interests					
31.12.2020	Net profit	Dividends paid	Changes in %	Changes in consolidation scope	30.09.2021
2,219	(446)	(99)	22	-	1,696

[16] Current and non-current financial liabilities

The account is broken down as follows:

Current financial liabilities	30.09.2021	31.12.2020
Short-term bank borrowings	29,015	21,305
Current portion of long-term loans	16,077	17,833
Loans for leases	39	329
Other loans and borrowings	2,279	1,412
Current financial liabilities	47,410	40,879

Non-current financial liabilities	30.09.2021	31.12.2020
Medium to long-term bank loans	28,635	38,262
Loans for leases	202	1,099
Other loans and borrowings	8,381	8,019
Non-current financial liabilities	37,218	47,379

The principal characteristics of loans are as follows:

Loan	Currency	Original amount (EUR)	Maturity	Interest rate	Terms	30.09.2021			31.12.2020		
						Residual debt	Current	Non-current	Residual debt	Current	Non-current
1	EUR	8,000	30/09/2022	Variable	Euribor 6m+0,55%	1,600	1,600	-	3,200	1,600	1,600
2	EUR	6,000	05/04/2022	Fixed	0.48%	1,134	1,134	-	1,887	1,131	756
3	EUR	7,500	06/12/2022	Fixed	0.50%	2,270	1,511	758	3,022	1,507	1,515
4	EUR	7,000	03/05/2024	Fixed	0.54%	4,790	1,748	3,042	5,699	1,306	4,393
5	EUR	3,000	13/12/2021	Variable	Euribor 6m+0,62%	1,000	1,000	-	2,000	2,000	-
6	EUR	5,000	05/02/2025	Variable	Euribor 6m+0,65%	3,500	1,000	2,500	4,500	1,000	3,500
7	EUR	7,000	07/04/2024	Variable	Euribor 6m+0,85%	5,250	1,750	3,500	6,125	1,750	4,375
8	EUR	2,000	24/06/2023	Fixed	0.35%	1,169	667	502	1,668	665	1,003
9	EUR	20,000	14/10/2025	Fixed	0.67%	18,000	4,000	14,000	20,000	4,000	16,000
10	EUR	5,500	23/12/2024	Variable	Euribor 6m+0,55%	4,813	1,375	3,438	5,500	1,375	4,125
11	KRW	824	31/08/2026	Fixed	3.85%	822	292	531	844	149	695
12	KRW	146	24/09/2021	Fixed	2.085%	-	-	-	150	150	-
13	KRW	373	29/06/2026	Fixed	2.030%	365	-	365	-	-	-
14	USD					-	-	-	1,512	1,176	336
15	USD					-	-	-	32	32	-
16	EUR					-	-	-	1	1	-

Loan	Currency	Original amount (EUR)	Maturity	Interest rate	Terms	30.09.2021			31.12.2020		
						Residual debt	Current	Non-current	Residual debt	Current	Non-current
Total						44,712	16,077	28,635	56,141	17,842	38,298

Short-term bank payables refers to the use of bank lines for operating purposes.

Bank loan No. 10 indicated above, undertaken by the Parent Company at the end of 2020, is backed by the “Small and Medium Enterprise Guarantee Fund” managed by Banca del Mezzogiorno – MedioCredito Centrale S.p.A.

A breakdown of changes in “Medium to long-term bank loans” and the “Current portion of medium to long-term loans” at December 31, 2020, and September 30, 2021, is provided below:

Current financial liabilities	31.12.2020	Net cash flow	Increases for new loans	Change for forgiveness	Increase for new rent/lease	30.09.2021
Short-term bank borrowings	21,305	7,710	-	-	-	29,015
Current portion of long-term loans	17,833	(548)	-	(1,208)	-	16,077
Other current financial liabilities	1,741	(65)	-	-	642	2,318
Current financial liabilities	40,879	7,097	-	(1,208)	642	47,410

Non-current financial liabilities	31.12.2020	Net cash flow	Increases for new loans	Change for forgiveness	Increase for new rent/lease	30.09.2021
Medium to long-term bank loans	38,262	(9,655)	365	(336)	-	28,635
Bonds	-	-	-	-	-	-
Other non-current financial liabilities	9,118	(1,403)	-	-	869	8,584
Non-current financial liabilities	47,380	(11,058)	365	(336)	869	37,219

[17] Employee defined benefits

The item mainly includes (Euro 6,566 thousand at September 30, 2021 and Euro 6,343 thousand at December 31, 2020) the liabilities for the Post-employment benefit provision recorded in the companies of the Group qualifying as defined benefit plans according to IAS 19 and thus subject to actuarial calculation.

The remaining part of the balance (Euro 45 thousand at September 30, 2021 and Euro 33 thousand at December 31, 2020) 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, 2020, no developments occurred which would require an update to the actuarial calculation and to the underlying assumptions.

[18] Provisions for risks and charges

The provision for risks and charges at September 30, 2021 amounted to Euro 4,208 thousand, compared to Euro 3,813 thousand at December 31, 2020. The composition and the movements of the item are shown in the following table:

	31.12.2020	Accruals	Releases/ Reclassifications	Exchange rate differences	30.09.2021
Provision for legal and tax risks	2,648	253	(123)	(75)	2,703
Provision for product warranties	804	50	-	12	866
Provision for agents' termination benefits	219	335	-	-	554
Pension provision	42	2	-	-	44
Provision for investments' losses	75	-	(59)	-	16
Other provisions for risks	25	-	-	-	-
Provisions for risks and charges	3,813	640	(182)	(63)	4,208

The Provision for legal and tax risks at September 30, 2021, mainly includes:

- a provision of Euro 250 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 309 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 September 30, 2021 decreased following the release of Euro 86 thousand, an allocation of Euro 9 thousand, and an increase of Euro 12 thousand due to the trend of the local Brazilian currency against the Euro;
- a provision set aside in 2018 for a total amount at September 30, 2021 of USD 300 thousand (Euro 263 thousand) against a potential liability linked to indirect taxation in various states;
- a provision set aside in 2020 for a total amount of Euro 1,270 thousand, increased in the first half of 2021 by Euro 207 thousand (total value at 30 September 2021 equals to Euro 1.477 thousand), which represents the best estimate of potential charges related to the commercial activities of Piovan S.p.A. and FEA;
- finally, a provision of Euro 120 thousand was released by the subsidiary Penta S.r.l., accrued in previous years, against an estimate of future charges related to a legal dispute, whose risk lessened in 2021.

The provision for agents' termination indemnity represents the estimated liability resulting from the application of current legislation and contractual clauses regarding the termination of agency relationships. In the third quarter of 2021, this provision has been increased in order to account for potential charges related to future interruptions in relations with a number of agents.

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

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

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

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

- o with reference to FEA, the liability 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 value remained unchanged compared to December 31, 2020.
- o with reference to Toba, the liability concerns a 49% holding of 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 value remained unchanged compared to December 31, 2020.

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, 2020.

	31.12.2020	Reclassifications	Increases	Decreases	Purchase	Charges (Income) from valuation	30.09.2021
Put Option Penta (10%)	-	-	-	-	-	-	-
Put Option FEA (49%)	740	-	-	-	-	-	740
Put Option Toba (49%)	1,125	-	-	-	-	-	1,125
Total Put Options	1,865	-	-	-	-	-	1,865
<i>including</i>	-	-	-	-	-	-	-
<i>non-current</i>	1,865	-	-	-	(740)	-	1,125
<i>current</i>	(0)	-	-	-	740	-	740

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

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

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

[20] Other non-current liabilities

At September 30, 2021, these amounted to Euro 1,805 thousand, compared to Euro 363 thousand at December 31, 2020, and comprise employee payables for medium/long-term incentive plans for 1,565 and tax payables of the subsidiaries Piovani Do Brasil, Doteco and FEA for the residual.

[21] Trade payables

They amounted to Euro 39,591 thousand at September 30, 2021, compared to Euro 39,912 thousand at December 31, 2020. Trade payables originate from the different payment terms negotiated with suppliers, which vary according to the various countries in which the Group operates.

[22] Advances from customers

At September 30, 2021, Advances from customers amounted to Euro 27,979 thousand, compared to Euro 19,421 thousand at December 31, 2020. This item refers to advances received by customers and relating to contracts where performance obligations are met at a point in time.

[23] Tax payables and social security institutions

They amounted to Euro 7,045 thousand at September 30, 2021, compared to Euro 9,360 thousand at December 31, 2020. The account is broken down as follows:

	30.09.2021	31.12.2020
Social security contributions	2,768	3,407
VAT liabilities	1,528	2,922
Tax withholdings for employees	812	1,809
Income tax liabilities (IRES and IRAP)	1,605	1,009
Other	331	212
Tax liabilities and social security contributions	7,045	9,360

[24] Other current liabilities

They amounted to Euro 17,012 thousand at September 30, 2021, compared to Euro 18,243 thousand at December 31, 2020. The account is broken down as follows:

	30.09.2021	31.12.2020 restated*	31.12.2020
Payables to employees	7,591	5,715	4,143
Payables to parent company	2,807	346	346
Accrued income and deferred expense	3,507	2,355	2,355
Other payables	3,107	9,827	11,399
Other current liabilities	17,012	18,243	18,243

* the restatement column includes the reclassification from "Other payables" to "Payables to employees" of a payable to employees wrongly classified among other payables for approximately 1,572 thousand euro.

Employee payables refer to wages and salaries and accruals for vacation and leave accrued. The increase as at 30 September 2021 compared to the previous year mainly derives from the allocation of the debt for thirteenth month to be paid, not included at 31 December 2020 as it already paid.

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.

Other payables, decreases compared to the previous year, mainly refers to the deferred part of the purchase price of the investment in Doteco S.p.A., relating to the earn-out. These amounts will be paid in accordance with the contract; in particular, the part relating to the price difference on the value of the NFP for Euro 715 thousand was paid in May 2021 and a first tranche of the "earn out" equal to Euro 5,982 thousand which was paid in August 2021 based on the results for the 2020 financial year.

We remind you that among the other payables as at 31 December 2020, the total payable equal to Euro 7,715 thousand was set aside - as it is considered probable that the entire amount will be recognized to the counterpart - and that the residual difference - equal to 1,018 thousand euro - will be paid indicatively in August 2022, provided that the same is actually due based on Doteco's 2021 performance.

Explanatory Notes to the Consolidated Statement of Profit and Loss

[25] Revenue

Revenue amounted to Euro 206,100 thousand for the first nine months of 2021, compared to Euro 149,421 thousand for the first nine months of 2020, an increase of 37.9%. Revenues are shown net of discounts and rebates.

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 nine months 2021	First nine months 2020
Plastic	158,386	115,921
Food & non plastic	22,759	13,469
Services	24,955	20,031
Revenue	206,100	149,421

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, 2020. These revenues amounted to Euro 24 thousand in the first nine months of 2021, while in the first nine months of 2020 totaled Euro 16 thousand. Such revenue mainly relates to the subsidiary Penta S.r.l. and to Piovan UK and FEA S.r.l..

The breakdown of revenue by region is as follows:

	First nine months 2021	First nine months 2020
EMEA	135,117	94,211
ASIA	23,008	17,972
NORTH AMERICA	37,599	29,643
SOUTH AMERICA	10,376	7,595
Revenue	206,100	149,421

Revenues in EMEA include revenues in Italy which amounted to Euro 39,573 thousand in the first nine months of 2021 and Euro 26,319 thousand in the first nine 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 4,775 thousand, increasing Euro 1,926 thousand compared to the first nine months of 2020 and which break down as follows:

	First nine months 2021	First nine months 2020
Accessory transport services for sales	1,799	1,729
Machinery rent	59	28
Grants related to income	116	352
Gains for disposal of tangible and intangible assets	295	225
Gains for disposal of tangible and intangible assets	20	17
Recharges to suppliers	33	60
Insurance compensation	17	27
Agency commissions	74	1
Sale of scrap materials	0	51
Increase in fixed assets for internal works	6	88
Other	2,356	271
Other revenue and income	4,775	2,849
of which non-recurring	1,550	0

Other non-recurring revenue refers to a grant in the amount of Euro 1,550 thousand received by the subsidiary Unadyn from the U.S. government as part of the stimulus package for businesses in response to the COVID emergency. This was disbursed in 2020 as a loan and was then converted following specific approval by the competent authority, having met the established requirements.

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

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

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

In addition to the grant received by the U.S. subsidiary, *Other Revenue* mainly includes recharges and penalties applied to customers.

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

This item amounted to Euro 84,647 thousand in the first nine months of 2021 compared to Euro 58,114 thousand in the first nine months of the previous year. It is broken down as follows:

	First nine months 2021	First nine months 2020
Costs of raw materials, components and goods	87,450	61,808
Costs of consumables	3,081	2,349
Change in raw materials and goods	(3,254)	(976)
Change in finished goods and semi-finished products	(2,631)	(5,066)
Costs of raw materials, components and goods and changes in inventories	84,647	58,114

The significant increase in purchases of raw materials, components and goods mainly follows the increase in sales and the sales mix effect compared to the previous year. There was also a residual effect from the increase in raw material prices.

[28] Service costs

Service costs amounted to Euro 41,933 thousand in the first nine months of 2021, compared with Euro 31,270 thousand in 2020, increasing 34.1%.

They are broken down as follows:

	First nine months 2021	First nine months 2020
Outsourcing	20,196	13,543
Transport	5,587	4,513
Business trips and travel	2,385	1,835
Agency commissions	2,650	1,947
Fees to directors, statutory auditors and independent auditors	1,575	1,446
Consultancies	2,526	2,173
Maintenance and repairs	1,555	1,367
Marketing and advertising	741	539
Utilities	1,077	963
Insurance	724	681
Telephone and connections	423	351
Other costs for services	2,493	1,913
Services	41,933	31,270

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

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

- outsourcing costs amounting to Euro 20,196 thousand in the first nine months of 2021 (48.2% of total service costs) determined by the production methods of the Group, which concentrates internally processing and high value added and

core activities. In the first nine months of 2020, this item amounted to Euro 13,543 thousand (43.3% of total *Service Costs*). Outsourcing as a percentage of revenue was substantially stable on the first nine months of the previous year;

- transport costs on purchases and sales, which increased in value but decreased slightly as a percentage of total revenues;
- travel and accommodation relating to both commercial activities and customer relations, and travel to customers' production sites to carry out installation and start-up and customer assistance. In 2020 the account declined considerably due to the lesser movement of personnel due to the restrictions imposed as a result of the COVID pandemic, while in 2021 the cost rose again, while remaining below historic averages. See the information provided in the "COVID-19 impacts" paragraph of the Explanatory Notes.

[29] Rental, leasing and similar costs

Rental, leasing and similar costs amounted to Euro 1,182 thousand at September 30, 2021, compared with Euro 913 thousand for the first nine months of 2020.

They are broken down as follows

	First nine months 2021	First nine months 2020
Rental expenses	340	241
Leases	257	287
Hires	584	386
Use of third party assets	1,182	913

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

The amounts for "rental, leasing and similar costs" concern contracts which in view of their characteristics were excluded from the scope of this standard.

The increase on the previous period relates to a change in consolidated companies following the acquisition of the Doteco group.

[30] Personnel expense

Personnel expense amounted to Euro 49,571 thousand compared with Euro 40,171 thousand in the first nine months of 2020. A breakdown of personnel expenses and the workforce by category is provided below:

	First nine months 2021	First nine months 2020
Wages and salaries	37,685	30,454

	First nine months 2021	First nine months 2020
Social security contributions	9,729	8,032
Costs for defined benefit plans	1,220	1,003
Other expenses	936	682
Personnel expenses	49,571	40,171

Personnel expenses increased Euro 9,399 thousand from the first nine months of 2020 due mainly to the end of measures to optimize and contain costs incurred in 2020 in response to the COVID-19 pandemic, as well as to the change in consolidated companies following the acquisition of the Dotecco group in October 2021.

The estimate of the cost related to the long-term incentive plans were also recognized in 2021, but not as at September 2020, in the amount of about Euro 1,657 thousand.

The Group's workforce is broken down by category below.

	First nine months 2021		First nine months 2020	
	period end	average	period end	average
Managers	29	29	27	28
Junior managers	69	71	66	66
White collars	684	668	613	612
Blue collars	405	397	371	378
Total	1,187	1,165	1,077	1,084

[31] Other operating costs

This item amounted to Euro 2,115 thousand, compared with Euro 1,751 thousand in the previous year. They are broken down as follows:

	First nine months 2021	First nine months 2020
Other taxes and duties	743	820
Bad debt provision	739	328
Entertainment costs	205	177
Other	428	426
Other expenses	2,115	1,751

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

[32] Provisions for risks and charges

Provisions for risks and charges amounted to Euro 517 thousand on new allocations in the first nine months of 2021, mainly related to potential charges concerning the commercial operations of Piovan France, FEA and Penta S.r.l. The balance was Euro 48 thousand at September 30, 2021.

[33] Amortization, depreciation and write-downs

This item amounted to Euro 5,260 thousand, compared with Euro 4,079 thousand in the first nine months of 2020. It is broken down as follows:

	First nine months 2021	First nine months 2020
Amortisation	1,265	322
Depreciation	3,995	3,757
Depreciation & amortisation	5,260	4,079

The increase in the account of Euro 1,182 thousand includes:

- Euro 771 thousand for amortization arising from the allocation of the price relating to the acquisition of the Doteco group.
- amortization and depreciation for the Doteco group, following the change in consolidated companies as a result of the acquisition of the group in the second half of 2020, for the remainder.

[34] Financial income and expenses

The item reports net negative charges of Euro 220 thousand in the first nine months of 2021, compared to charges of Euro 59 thousand in the first nine months of 2020. It is broken down as follows:

	First nine months 2021	First nine months 2020
Interest income	195	329
Income on financial assets	12	-
Other financial income	115	62
Financial income	322	391
Bank interest expenses	202	139
Other interest expenses	116	122
Other financial expenses	224	189
Financial expense	542	450
Net financial income (charges)	(220)	(59)

Financial expenses include the effect of the fair value measurement of securities at September 30, 2021, equal to a net expense of Euro 67 thousand.

[35] Exchange gains/(losses)

The item amounted to a positive Euro 350 thousand in the first nine months of 2021, compared to a positive Euro 860 thousand in the first nine months of 2020. It is broken down as follows:

	First nine months 2021	First nine months 2020
Exchange rate gains	3,146	3,179
Exchange rate losses	(2,796)	(4,040)
Net exchange rate gain (losses)	350	(860)

Unrealized foreign exchange gains included under *Foreign exchange gains* amounted to Euro 2,294 thousand in first nine months 2021 (72.9% of foreign exchange gains for the period) and Euro 1,315 thousand in the first nine months of 2020 (41.4% of foreign exchange gains for the period).

Unrealized losses included under *Foreign exchange losses* amounted to Euro 838 thousand in the first nine months of 2021 (30.0% of foreign exchange losses for the period) and Euro 2,355 thousand in the first nine months of 2020 (57.8% of foreign exchange losses for the period).

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

In the first nine months of 2021, this item had a zero balance, whereas it showed income of Euro 114 thousand in the first nine months of 2020, due to the income on the adjustment of the liability for the put options of the minority shareholders of Toba PNC (Euro 230 thousand) and the measurement charge recognized in reference to the option for the residual 10% of Penta S.r.l. (Euro 115 thousand).

New amounts were not recognized in the first nine months of 2021 as the valuations made at December 31, 2020 were confirmed.

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

This account concerns the gains on investments measured at equity and amounted to Euro 111 thousand at September 30, 2021. Reference should be made to note [3] and to note [18] for further information.

[38] Income Taxes

This item amounted to Euro 7,484 thousand in the first nine months of 2021 compared to Euro 4,625 thousand in the first nine months of 2020. Income taxes have been determined taking into account the best estimate of the average annual tax rate expected for the whole year.

Other Information

Segment information

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

The disclosures also required for entities that have a single segment to report on products sold and services provided and geographical areas are provided in note [25].

Classes of financial instruments and fair value hierarchy

With reference to the breakdown of financial assets and liabilities required by IFRS 7, there were no transfers between the fair value levels indicated in IFRS 13 and those reported in the Annual Financial Report at December 31 2020 and in the Consolidated Half-Year Financial Report, to which reference should be made for further information.

Related party transactions

During 2021 and 2020, 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.

For the balances at December 31, 2020, reference should be made to the Annual Financial Report at December 31, 2020, while for the balances at September 30, 2021 there are no transactions and balances of significant amounts with the exception of the tax consolidation payable due to PentaFin S.p.A. described in note [24].

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

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

Company name	Registered office	Country	Currency	Share capital at 30/09/2021	% 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)	China	CNY	5,088,441	100.00%	Piovan S.p.A.	Full
Piovan Do Brasil Ltda	Osasco (BRA)	Brasil	BRL	11,947,356	99.99%	Piovan S.p.A.	Full
Piovan Mexico S. A.	Queretaro (MX)	Mexico	MXN	706,540	99.99%	Piovan S.p.A.	Full
Piovan Central Europe GmbH	Brunn am Gebirge (A)	Austria	EUR	35,000	100.00%	Piovan S.p.A.	Full
Piovan UK Ltd	Bromsgrove (GB)	Great Britain	GBP	25,000	100.00%	Piovan S.p.A.	Full
Piovan Czech Republic s.r.o.	Praga (CZ)	Czech Republic	CZK	200,000	100.00%	Piovan Central Europe GmbH (90%) Piovan S.p.A. (10%)	Full
Piovan France Sas	Chemin du Pognat (F)	France	EUR	1,226,800	100.00%	Piovan S.p.A.	Full
Universal Dynamics Inc.	Fredericksburg, Virginia (U.S. A.)	USA	USD	3,500,000	100.00%	Piovan S.p.A.	Full
Piovan GmbH	Garching (D)	Germany	EUR	102,258	100.00%	Piovan S.p.A.	Full
Piovan Canada Ltd	Mississauga - Ontario (CAN)	Canada	CAD	10	100.00%	Piovan S.p.A.	Full
Piovan Asia Pacific Ltd	Bangkok (TH)	Thailand	THB	8,010,000	100.00% (*)	Piovan S.p.A.	Full
FDM GmbH	Troisdorf (DE)	Germany	EUR	75,000	66.67%	Piovan S.p.A.	Full
Piovan Muhendalik Ltd	Beikoz (TR)	Turchia	TRY	10,000	100.00%	Piovan S.p.A.	Full
Penta S.r.l.	Ferrara (IT)	Italy	EUR	100,000	100.00%	Piovan S.p.A.	Full
Energys S.r.l.	Venezia (IT)	Italy	EUR	10,000	100.00%	Piovan S.p.A.	Full
Piovan Japan Inc.	Kobe (J)	Japan	JPY	6,000,000	100.00%	Piovan S.p.A.	Full
Piovan Gulf FZE	Dubai (UAE)	United Arab Emirates	AED	1,000,000	100.00%	Piovan S.p.A.	Full
Aquatech S.r.l.	Venezia (IT)	Italy	EUR	40,000	100.00%	Piovan S.p.A.	Full
Piovan Vietnam Company Ltd	Mai Chi Tho (Vietnam)	Vietnam	VND	1,136,500,000	100.00%	Piovan S.p.A.	Full
Progema S.r.l.	San Felice sul Panaro (MO)	Italy	EUR	25,000	81.00%	Penta S.r.l.	Full
Piovan Hungary Kft	Budapest	Hungary	HUF	3,000,000	100.00%	Piovan Central Europe GmbH	Full
Piovan Maroc Sarl. AU	Kenitra	Maroc	MAD	1,000,000	100.00%	Piovan S.p.A.	Full

Company name	Registered office	Country	Currency	Share capital at 30/09/2021	% shareholding	Shares held	Consolidation method
						Shareholder-Partner	
FEA Process&Technological Plants S.r.l.	Scarnafigi (CN)	Italy	EUR	20,400	51.00%	Piovan S.p.A.	Full
Studio Ponte S.r.l.	Poggio Renatico (FE)	Italy	EUR	10,000	51.00%	Penta S.r.l.	Full
Penta Auto Feeding India Ltd	Navi Mumbai (India)	India	INR	10,000,000	50.00%	Penta S.r.l.	Equity method
CMG America Inc.	Clio	Michigan	USD	70,000	100.00%	Piovan S.p.A.	Equity method
TOBA PNC	Seoul	South Korea	KRW	500,000,000	51.00%	Piovan S.p.A.	Full
Doteco S.p.A.	Modena (IT)	Italy	EUR	1,000,000	100.00%	Piovan S.p.A.	Full
Doteco INC	Dalton, Georgia (U.S.A.)	USA	USD	75,000	100.00%	Doteco S.p.A.	Full
Equity investments in affiliated companies:							
CMG S.p.A.	Budrio (BO)	Italy	EUR	1,250,000	20%	Piovan S.p.A.	Equity method

Subsequent events to the end of the period

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

Santa Maria di Sala (Venice), November 11, 2021

On behalf of the Board of Directors

Executive Chairman

Nicola Piovan

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

The undersigned, Marco Mammano, General Manager & Director of the Piovan Group, as Executive Officer for financial reporting, states that the Periodic Financial Statements at September 30, 2021, correspond to the underlying accounting documents, records and entries.

The Executive Officer for Financial Reporting

Marco Mammano



Periodic Financial Statements at
September 30, 2021 of Piovan S.p.A.

PIOVAN S.p.A.

Via delle Industrie 16 – 30036

S. Maria di Sala VE - Italy