



CONSOLIDATED
HALF-YEAR
FINANCIAL REPORT

at June 30, 2021

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

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Venice Economic & Administrative Registration No. 235320

DIRECTORS' REPORT

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
Manuela Grattoni (*)	Independent Director
Mario Cesari (*)	Independent Director
Antonella Lillo (*)	Independent Director

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

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

Board of Statutory Auditors

In office 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
Manuela Grattoni	
Mario Cesari	

Significant holdings

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

Declarant	Direct shareholder	% of ordinary share capital (*)	% of voting share capital (**)	% of ordinary share capital (***)	% of voting share capital (****)
Nicola Piovan	PentaFin S.p.A.	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

Elisabetta Floccari, in office until the Shareholders' AGM for the approval of the 2023 Annual Accounts.

Independent Audit Firm

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

PRESENTATION AND GROUP STRUCTURE

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

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

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

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

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

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

This 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.

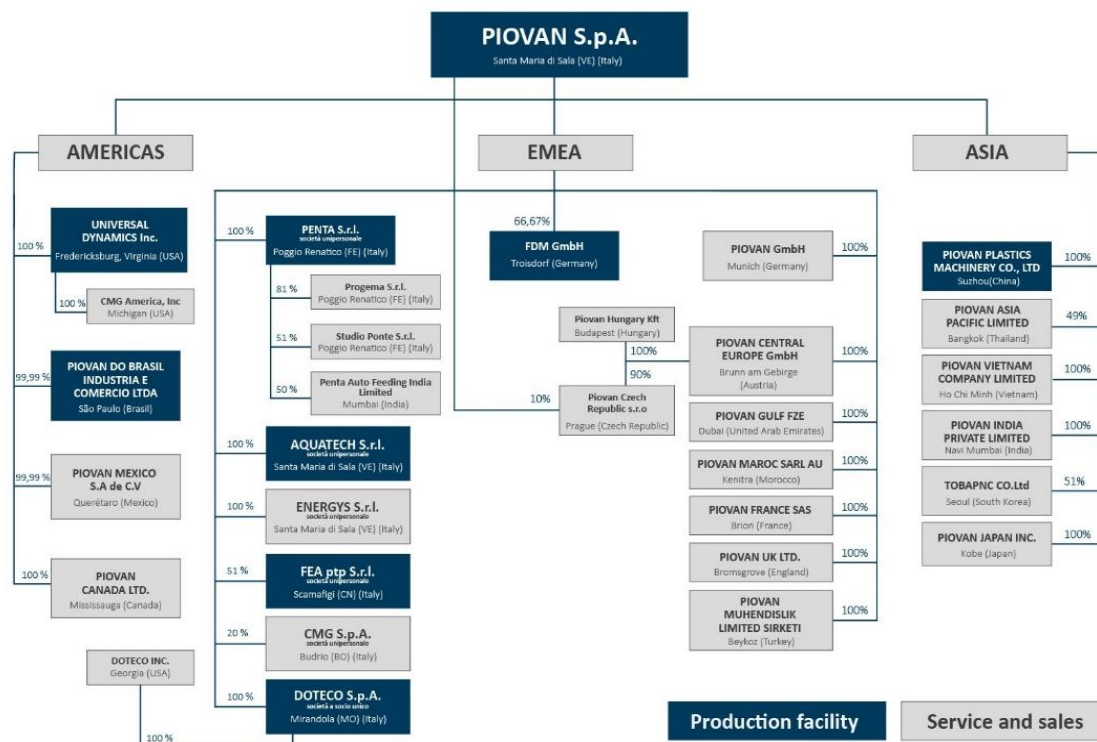
Today the Group comprises a network of direct or indirect subsidiaries of Piovan S.p.A., with sites in Europe, the United States and Asia, both thanks to organic growth dynamics and acquisitions. Finally, in October 2020, Doteco S.p.A., an Italian leader globally in technology for the dosing of plastic 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 June 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 JUNE 30, 2021



GROUP OVERVIEW

General economic overview

Within a landscape that remains influenced by the COVID-19 pandemic, the International Monetary Fund (IMF) estimates global economic growth for 2021 of 6%, while the gap between the advanced economies and many emerging markets is widening (as illustrated by the World Economic Outlook of July 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 into account 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-out. 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.

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, there was a significant increase in the prices of some raw materials and industrial components as well as in transport costs, which is putting operators in some sectors in difficulty. Perspectives are uncertain and influenced by the timing of the return to normality in the dynamics of flows at international level.

In this environment of continued uncertainty, 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 in one hand, limited the effects of the restrictions on mobility and on the other hand, 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 first half of 2021

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. It was therefore possible, as previously indicated, to mitigate the overall risk.

In H1 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 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.

In addition, with reference to:

- Supply chain and logistics: the Group has experienced no particular delays in provisioning and shipping as of this moment. Nonetheless, we are seeing a marked increase in production costs in relation to tensions on the commodities and transport markets, along with a lengthening of times needed to procure certain components.
- Health and Safety: the Group continues to place the utmost emphasis on managing all processes at all of the Group's companies so as to mitigate the risk of infection. In particular, all measures recommended in the various national protocols were implemented at production sites such that production was able to continue safely, whereas remote working was promoted for administrative and commercial personnel.
- Safety measures: during 2021 the Group did not take advantage of the stimulus measures and mechanisms made available by the various governments, except for the effect of the American grant which will be illustrated below.
- It should also be noted that the Group's financial position has thus far supported, and is expected to continue to support, funding needs for the next 12 months. The Parent Company, following the introduction by the Executive of support instruments for economic operators, in 2020 obtained 3, 6 and 12-month moratoriums on loan repayment commitments. In addition, the US company of the Group 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). Furthermore, in June 2021, the Korean subsidiary TOBA PNC received a KRW 500 million loan from the Korean government agency to support the small and medium enterprises (SME's) impacted by the COVID-19 pandemic.

Considering the very positive performance achieved in the first half of the year and the order backlog at June 30, the Group is optimistic about 2021; this view is supported, in part, by completion of the current vaccination campaign, the safety protocols put in place at all group's facilities, and assuming there will not be negative changes in the spread of the COVID-19 virus, which could have consequences that cannot currently be foreseen.

For further information on the Group's financial performance and standing, reference should be made to subsequent sections.

Acquisitions

During the first half of 2021, no acquisitions have occurred.

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 actual amount of the net financial position of the company at September 30, 2020, as well as a maximum earn-out mechanism of Euro 7 million, calculated on the basis of the 2020-2021 EBITDA performance.

During H1 2021, the amount payable by Piovan S.p.A. has been therefore defined, as an adjustment to the value of NFP at September 30, 2020, whose amount was equal to Euro 715 thousand and has been paid to the sellers in May 2021.

Dividends

On April 29, 2021, the Company's Shareholders' Meeting approved the distribution of dividends of Euro 6,620,809, based on the 2020 net profit, totaling Euro 10,448,148. The dividend was paid out from May 12, 2021, with coupon date of May 10, 2021 and record date of May 11, 2021.

Governance

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

Circular Economy

During the first half of 2021, the Group continued with its development strategy and products and solutions dedicated to the recycling and circular economy chain. In this regard, it should be noted that the InspectaBe product was selected among the finalists in the Machinery category of the prestigious *Sustainability Awards 2021*, the aim of which is to promote the spread of sustainable packaging.

The *Sustainability Awards* is the international recognition organized by the industry magazine Packaging Europe with the aim of spreading the culture of innovation in packaging with a perspective of sustainability in response to emergencies such as environmental pollution and climate change. The winners of the prestigious award will be announced during the *Sustainability Awards Ceremony and Sustainable Packaging Summit* in Nuremberg, Germany, on September, 30 and 29 2021.

Significant events after June 30, 2021

In August 2021, in observance of the obligations related to the acquisition of the Doteco group, as described in the Acquisitions section above, Piovan S.p.A. paid an earnout to the sellers in the amount of Euro 5,982 thousand, based on achieved 2020 Doteco group EBITDA.

In accordance with the provisions of the agreement to purchase Doteco shares, the sellers will have the right to an integration of this earnout should 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.

Finally, it should be noted that in July 2021 the signing ceremony of the agreement with the Chinese government took place which will lead, in the next two years, to the construction of the new Piovan Group plant in China. The decision to invest in the construction of a new factory reconfirms the strategy that the Group has been pursuing for years: investing in the development of an international and structured network with direct branches to ever be alongside customers around the world, from sales to after-sales service.

Outlook

The Group confirms what already 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 market.

Growth in acquisitions is driven by a desire to increase group 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 H1 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 a number of important acquisitions in late 2020 and early 2021.

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

The order backlog as at June 30, 2021, exceeded historical levels for the Group as a result of the good trend in new orders collection in the first half year of 2021.

As already discussed in the section concerning the implications of the COVID-19 pandemic, the Group is optimistic about 2021, considering the very positive performance achieved in the first half of the year and the current order backlog. While considering the ongoing vaccine roll-out and the safety protocols put in place at all of the Group's facilities, there still remains uncertainties linked to potential worsening of the spread of variants of the COVID-19 virus, that

could have an impact on the Group that is not foreseeable as of today, particularly as concerns plant installation and start-up activities.

GROUP OPERATING PERFORMANCE

(amounts in €'000)	Economic performance indicators				Changes	
	First half-year 2021	% on total revenues and other income	First half-year 2020	% on total revenues and other income	2021 vs 2020	%
Revenue	142,269	97.5%	100,643	98.1%	41,626	41.4%
Other revenue and income	3,657	2.5%	1,953	1.9%	1,704	87.3%
TOTAL REVENUE AND OTHER INCOME	145,926	100.0%	102,596	100.0%	43,330	42.2%
EBITDA (*)	23,274	15.9%	13,086	12.8%	10,188	77.9%
OPERATING PROFIT	19,723	13.5%	10,338	10.1%	9,385	90.8%
PROFIT BEFORE TAXES	19,898	13.6%	10,232	10.0%	9,666	94.5%
Income taxes	5,244	3.6%	3,006	2.9%	2,238	74.4%
NET PROFIT	14,655	10.0%	7,226	7.0%	7,429	102.8%
Attributable to:						
Owners of the parent	14,842	10.2%	7,427	7.2%		
Non-controlling interests	(187)	(0.1%)	(201)	(0.2%)		
Earnings per share	0.29		0.15			
Basic and diluted earnings per share (in Euros)	0.29		0.15			

(*) First half-year 2020 EBITDA (indicated in the Consolidated Half-Year Financial Report at Euro 13,088 thousand) was restated net of "Accruals" for comparability with the H1 2021 figure, following a change to the indicators definition.

In the first half of 2021, Piovan Group **total revenue and other income** amounted to Euro 145,926 thousand, a significant increase on Euro 102,596 thousand in the first six months of 2020 (+42.2%).

Excluding revenues recognized by the Dotecco 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 total Euro 135,030 thousand, an increase of 31.61%.

Piovan Group core revenue alone amounted to Euro 142,269 thousand, increasing on Euro 100,643 thousand in the first half of 2020 (+41.4%).

Revenue calculated on a like-for-like exchange rates basis (i.e. at the H1 2020 average exchange rate) would have increased by Euro 3,411 thousand, with revenue equal to Euro 145,680 thousand, up. 44.75% on the first half 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 87.3% on the first six months of 2020, include non-recurring revenue related to the Euro 1,539 thousand grant that Unadyn received from the U.S. government under the Paycheck Protection Program launched in 2020 in response to the pandemic.

Excluding these non-recurring revenues, total revenues and other income amounted to Euro 144,387 thousand, with an increase of 40.73% compared to the same period of 2020.

Total revenues and other income on a like-for-like basis of consolidation and excluding non-recurring revenues relating to the aforementioned non-repayable grant amounts to Euro 133,491, an increase of 30.11% compared to the first half of 2020.

EBITDA improved both in absolute value and in terms of margin on revenue, totaling Euro 23,274 thousand, an increase of 77.9% compared to Euro 13,086 thousand in the same period of the previous year.

On a like-for-like basis of consolidation and excluding non-recurring revenues, the gross operating margin (EBITDA) amounts to € 19,939 thousand, with an increase in this case of 52.37%.

The margin on total revenue went from 12.8% for the first half of 2020 to 15.9% in 2021, having benefited from the increase in sales volumes and the grant received as mentioned above. Without this grant, the EBITDA is equal to Euro 21,735 thousand, with a percentage incidence on revenues and other income equal to 15.1% compared to 12.8% in the same period of the financial year 2020.

EBIT totaled Euro 19,723 thousand, up from Euro 10,338 thousand in the previous year (+90.8%). On a like-for-like basis of consolidation and excluding non-recurring revenues, the operating result amounts to 16,678 thousand euro, up by 61.33% in this case.

The EBIT margin on total revenues and other income came to 13.5%, compared to 10.1% for the same period of the previous year.

The **net profit** was Euro 14,655 thousand, more than doubling (+102.8%) compared to Euro 7,226 thousand in H1 2020. The margin on total revenue and other income was 10.0%. On a like-for-like basis of consolidation and excluding non-recurring revenues, the profit for the year amounts to 12,034 thousand euros, increasing in this case by 66.55%.

Basic and diluted earnings per share came to Euro 0.29 for the first half of 2021, compared to Euro 0.15 in the same period of the previous year.

Revenues by market and region

The breakdown of revenue by market is as follows:

	First half-year 2021	%	First half- year 2020	%	Change	% Change
Plastic	108,105	76.0%	80,420	79.9%	27,685	34.4%
Food & non plastic	17,523	12.3%	7,469	7.4%	10,054	134.6%
Services	16,641	11.7%	12,754	12.7%	3,887	30.5%
Revenue	142,269	100.0%	100,643	100.0%	41,626	41.4%

Revenue by market indicates:

- Plastic Systems revenue increased by 34.4% compared to the same period of the previous year, which had been impacted by the COVID-19 travel restrictions and consequent delays in the delivery and installation of certain orders;
- Revenues from Food & Non-plastic Systems performed well in both absolute terms and as a percentage of total revenues, increasing 134.6% on the first half of 2020 thanks to a strong order backlog at the end of 2020, which has been developed in the first months of 2021, and to a growth in new orders received;
- the Services market posted revenue growth (+30.5%) on the first half of 2020, a year in which travel restrictions in response to the COVID emergency inhibited the normal provision of on-site, post-sale services.

The breakdown of revenue by region is as follows:

	First half-year 2021	%	First half- year 2020	%	Change	% Change
EMEA	92,880	65.3%	61,444	61.1%	31,436	51.2%
ASIA	15,869	11.2%	12,967	12.9%	2,902	22.4%
NORTH AMERICA	26,720	18.8%	21,299	21.2%	5,421	25.5%
SOUTH AMERICA	6,801	4.8%	4,933	4.9%	1,868	37.9%
Revenue	142,269	100.0%	100,643	100.0%	41,626	41.4%

EMEA revenues grew 51.2% on H1 2020. This growth, which concerned all markets, benefited from the excellent performance of the Food & Non-plastic market (+128% in H1 2021 on the same period of 2020).

Asia and North America grew by 22.4% and 25.5%, respectively, in 2021 on 2020, with revenues increasing in both the Plastics and Services markets. North America benefited from the Group's growth in Food & Non-plastics, where revenues accounted for more than 6% of the total area (vs. 0.2% for the same period of 2020).

The South America market also achieved very positive performance (+37.9% on H1 2020 revenues), thanks above all to the revenues in Food & Non-plastic (+170%) and Services (+38%) markets.

Equity and Financial profile of the Group

Group net financial position

Beginning with this report, 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	30.06.2021	31.12.2020	30.06.2020
A. Cash	85,578	87,452	57,440
B. Cash equivalents	-	-	-
C. Other current financial assets	4,131	5,146	6,149
D. Liquidity (A+B+C)	89,708	92,598	63,589
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	(29,230)	(23,046)	(25,056)
F. Current portion of non-current financial debt	(16,457)	(17,833)	(10,040)
G. Current financial indebtedness (E+F)	(45,687)	(40,879)	(35,097)
H. Net current financial position (G-D)	44,021	51,719	28,492
I. Non-current financial debt (excluding current portion and debt instruments)	(39,317)	(47,379)	(31,127)
J. Debt instruments	-	-	-
K. Non-current trade and other payables	(2,266)	(363)	(272)
L. Non-current financial indebtedness (I+J+K)	(41,583)	(47,742)	(31,399)
M. Total net financial position (H+L)	2,438	3,977	(2,906)

Other information relating to indirect debt and/or subject to conditions not reflected in the table above but required by the ESMA Guidelines document are described below:

a) with reference to the accruals recognized in the financial statements, please refer to Note [17] - Liabilities for defined benefits to employees and to Note [18] - Provisions for risks and charges, which include the amounts attributable to these cases;

b) with reference to bank guarantees, relating to bank payables and given to parties outside the Group, please refer to Note [35].

c) the Company has also accounted for Liabilities for options granted to minority shareholders, for Euro 1,865 thousand, for the illustration of which please refer to the Note [19].

d) the Company has also recognized the Current part of the purchase price of the investment in Dotec S.p.A. under Other current liabilities, for Euro 5,982 thousand. For more details, see Note [24];

e) the commitments relating to lease agreements that are not recognized as liabilities in the financial statements as they do not fall within the scope of IFRS 16 are equal to approximately 1,520 thousand euros.

The new NFP presentation as at June 30, 2021 shows a cash position of Euro 2,438 thousand, down Euro 1,539 thousand on December 31, 2020. This decrease is mainly attributable to an aspect related to the layout of the reclassification of the remaining payable for the Dotecco earn-out, in the amount of Euro 1,018 thousand, from current liabilities (at December 31, 2020) to non-current liabilities (at June 30, 2021). More specifically, in the 2020 balance sheet, the total debt of Euro 7 million had already been allocated, as it was deemed probable that the entire amount would be recognized to the counterparty, a value that had been recorded entirely among the “Other current payables” and therefore excluded from the configuration of NFP. The Company had paid Euro 5,982 thousand in August 2021, while the difference – of Euro 1,018 thousand – to be paid approximately by August 2022, provided that the same is actually due based on Dotecco’s 2021 performance, amount therefore included among non-current payables, now included in the NFP definition. Removing this component, NFP would decrease by Euro 521 thousand.

Total NFP, net of the total of “Trade payables and other non-current liabilities”, totaled a positive cash position of Euro 4,704 thousand (an increase of Euro 364 thousand from the Euro 4,340 thousand of December 31, 2020).

Excluding the effects of application of IFRS 16, the Group’s net financial position at June 30, 2021 was a cash position of Euro 12,811 thousand, compared to Euro 14,425 thousand at the end of 2020.

This result must be evaluated even more positively considering that in May 2021, the parent company distributed dividends of Euro 6,621 thousand (Euro 5,602 thousand in 2020) and paid Dotecco price adjustments of Euro 715 thousand.

In the first half of 2021, investments totaled Euro 834 thousand (Euro 1,032 thousand in H1 2020).

The net financial position includes medium/long-term loans, mainly relating to the Parent Company, for Euro 47,166 thousand, of which Euro 16,457 thousand repayable within 12 months and the remaining Euro 30,709 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 373 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 7.758 thousand during H1 2021.

Net non-current assets

Net non-current assets represented by property, plant and equipment, intangible assets and equity investments, amounting to Euro 78,698 thousand, decreased Euro 1,311 thousand, due both to amortization and depreciation in the period and investments.

<i>Net non-current assets (amounts in €'000)</i>	At 30th June 2021	At 31st December 2020
Property, plant and equipment	51,430	52,324
Intangible assets	27,064	27,529
Equity investments	204	155
Net non-current assets	78,698	80,009

At June 30, 2021, the net carrying value of rights-of-use recorded against the application of the accounting standard IFRS 16 - Lease is equal to Euro 10,252, while as at December 2020 amounted to Euro 10,328 thousand. The movement on December 31, 2020 mainly concerns the net effect of amortization and depreciation in the first half 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 834 thousand (Euro 1,032 thousand in H1 2020), none of which are recurring.

Net trade capital and net working capital

<i>Net working capital (amounts in €'000)</i>	At 30th June 2021	At 31st December 2020
Trade receivables	56,685	41,931
Inventories	37,402	36,920
Contract assets for work in progress	6,415	6,477
Trade payables	(41,756)	(39,912)
Advance from customers	(24,338)	(19,421)
Contract liabilities for work in progress	(4,127)	(5,101)
Net trade capital	30,280	20,893
Tax receivables	3,515	3,263
Other current assets	6,901	3,497
Tax liabilities and social security contributions	(7,876)	(9,360)
Other current liabilities	(20,736)	(18,243)
Net working capital	12,084	50

Net Working Capital increased by Euro 12,034 thousand on December 31, 2020, substantially related to the increase in current trade receivables falling due (for further details see note [8] to the consolidated half-year financial statements).

This correlates with the growth in revenues, which was more significant in the latter part of the first half of the year, as well as to the increase in the average value and duration of projects, not only in the Food & non plastic market, which has historically featured longer-term programs that those of the Plastics market.

The other components of Net Working Capital have remained essentially stable, with slight growth being posted in Inventories, Trade Payables, and Advance from Customers, in line with the increase in revenues.

Medium/long term liabilities

<i>(amounts in €'000)</i>	As at 30 th June 2021	As at 31 th December 2020
Liabilities for employee benefits plans	6,475	6,376
Provision for risks and charges	3,701	3,813
Other non-current liabilities	2,266	363
Deferred tax liabilities	2,772	2,713
Medium/long-term liabilities	15,213	13,265

At June 30, 2021, medium/long-term liabilities increased Euro 1,948 thousand on the previous year. The main changes relate to the increase in other non-current liabilities which include the remainder of the Doteco earn-out payable and the recognition of the accrued expense related to employee incentive plans which will be disbursed in the medium/long term.

Research and development

In H1 2021, the Piovan Group incurred research and development expenses amounting to 3.4% of total revenues and other income (Euro 4,904 thousand compared to Euro 4,285 thousand in H1 2020). In H1 2021, Euro 4,407 thousand concerned personnel operating in R&D and engineering, entirely expensed to the income statement, for the execution of complex and innovative projects. The scale of this commitment to investment in research and development is a clear demonstration of the Group's unwavering desire to position itself as a supplier of solutions, and not merely of machinery or systems. This desire has always set the Group apart and, over the years, has led to its position of market dominance. The Group is defined, in fact, by a range of products that are constantly being updated, thanks to research and development activity carried out in collaboration with its customers, an aspect which is of fundamental importance in the initial phase of the development of customer-specific solutions. The Group's

competitive position is linked to constant improvement and investments in technology and processes.

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

OTHER INFORMATION

Human Resources

Workforce

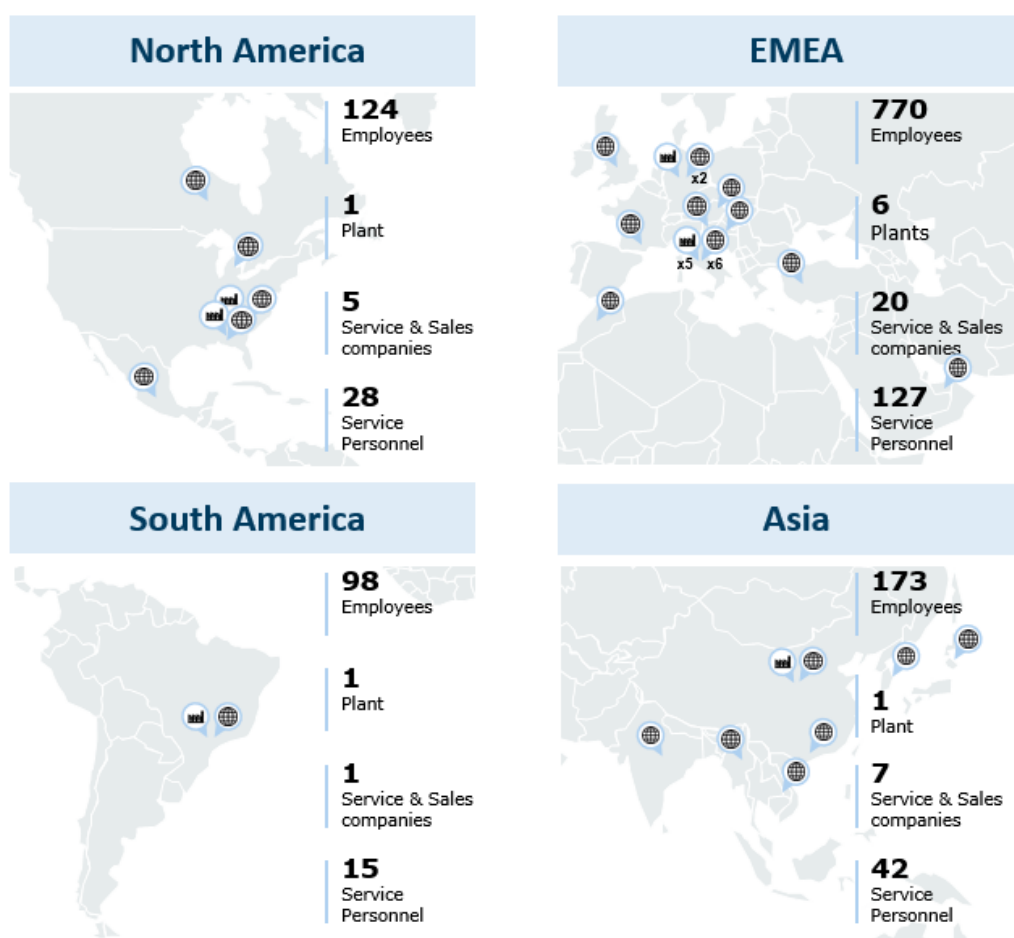
During the first half of 2021, the Group employed an average of 1,158 people, compared to 1,088 in the first half of 2020. The increase of 70 employees is essentially due to the change in consolidated companies as a result of the acquisition of the Doteco Group.

The distribution of operating personnel by category was as follows:

	30.06.2021		30.06.2020	
	period end	average	period end	average
Managers	30	29	27	28
Junior managers	70	72	66	66
White collars	671	663	608	614
Blue collars	394	394	375	380
Total	1,165	1,158	1,076	1,088

The complex, constantly evolving contexts in which the Group operates require personnel with initiative and drive, motivated by a desire to learn and improve continuously. As such, Piovan also works ceaselessly in the district proximity system to adapt its organizational and management models to the "knowledge economy", where professional careers, which are increasingly discontinuous and transversal, feed the more "generalist" skills that go hand in hand with the high level of professionalism required to operate in an international context, deal with innovative technologies and succeed in a competitive market.

The Group workforce at June 30, 2021 by geographic area and function is presented below:



Transactions with parent companies, subsidiaries and associated companies

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

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

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

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

Related party transactions

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

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

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

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

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

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

Disclosure by operating segment

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

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

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

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

Alternative performance indicators

In this Directors' Report, various alternative performance indicators or intermediary earnings indicators, including EBITDA, 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.

Descriptions of the components of each of these indicators are presented below, as required by CONSOB Communication No. 0092543 of December 3, 2015, which transposes the ESMA/2015/1415 guidelines for alternative performance indicators.

Gross Operating Profit (EBITDA)

EBITDA is composed by the following items: (i) + income taxes, (ii) - profit/(loss) from investments measured at equity, (iii) - income/(charges) from valuation of liabilities for options granted to minority shareholders, (iv) - exchange gains/(losses), (v) + financial expenses, (vi) - financial income, (vii) + amortization, depreciations and write-downs and (viii). The EBITDA Margin is calculated as a percentage on the total revenues and other income.

The EBITDA for the first half of 2020 was restated net of the item "Accruals for risk and charges", to make it comparable with the figure for the first half of 2021, following a change in the definition relating to the indicator.

EBIT

EBIT corresponds to the operating result indicated in the accounting statements. The EBIT Margin is calculated as a percentage of total revenues and other income.

Contribution Margin

The contribution margin is calculated as the sum of: (i) total revenues and income less, (ii), raw material purchases, components, goods and inventory changes, (iii) external processing, (iv) transport costs, and (v) commissions. The Contribution Margin in percentage terms is calculated on total revenues and other income.

Net Financial Position

This is determined as per Consob Communication No. 5/21 of April 29, 2021, which implements the EMSA Guidelines 32-382-1138 of March 4, 2021.

Research and development costs

Research and development costs mainly include costs sustained by the Group related to personnel dedicated to the R&D and engineering activities, which have been capitalized in the year, where applicable, and costs for the production of prototype and new product systems incurred by the parent company.

Recurring Capex and Non-recurring Capex

Recurring Capex includes the Group's total recurring investments in property, plant and equipment and in intangible assets. They are calculated as the sum of the following items: (i) Capex in property, plant and equipment, which principally includes the costs relating to the purchase of production machinery, extraordinary plant maintenance and motor vehicles; and (ii) Capex in intangible assets, which mainly includes software licenses.

Excluded in the calculation of Recurring Capex are extraordinary investments mainly relating to the increase and shifting of long-term production capacity; these investments are defined as Non-Recurring Capex.

Net Trade Working Capital

Net trade working capital is calculated as the sum of the positive values relating to current trade receivables, inventories and contract work-in-progress and the negative values relating to liabilities for contract work-in-progress, trade payables and customer advances.

Net Working Capital

Net working capital is calculated as the sum of the net trade working capital and of the positive values relating to tax receivables and other current assets and the negative values relating to tax and social contribution payables and other current liabilities.

Principal risks and uncertainties to which the Group is exposed

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

These risks may be summarized as follows:

- a) credit risk;
- b) liquidity risk;
- c) market risk (foreign exchange risk, interest rate risk and other price risks).

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

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

For a closer analysis on the risks to which the Group is exposed, reference should be made to the Annual Financial Report at December 31, 2020, as there have been no changes with regards to that indicated concerning the risks to which the Group is exposed and their management.

The environment and personnel

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

Atypical and/or unusual transactions

There were no significant atypical and/or unusual transactions concerning the Piovan Group in the first half of 2021.

Off-balance sheet agreements

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

**CONDENSED CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS AS AT AND FOR THE
SIX MONTHS ENDED JUNE 30, 2021**

Consolidated statement of financial position
(thousands of Euro)

ASSETS	Notes	30.06.2021	31.12.2020
NON-CURRENT ASSETS			
Property, plant and equipment	Note 1	51,430	52,324
- of which related parties	Note 41	167	935
Intangible assets	Note 2	27,064	27,529
Equity investments	Note 3	204	155
Other non-current assets	Note 4	563	576
Deferred tax assets	Note 5	5,207	4,788
TOTAL NON-CURRENT ASSETS		84,468	85,372
CURRENT ASSETS			
Inventories	Note 6	37,402	36,920
Contract assets for work in progress	Note 7	6,415	6,477
Trade receivables	Note 8	56,685	41,931
- of which related parties	Note 41	331	12
Current financial assets	Note 9	4,131	5,146
Tax receivables	Note 10	3,515	3,263
Other current assets	Note 11	6,901	3,497
- of which related parties	Note 41	31	31
Cash and cash equivalents	Note 12	85,578	87,452
TOTAL CURRENT ASSETS		200,625	184,686
TOTAL ASSETS		285,093	270,058

LIABILITIES AND EQUITY	Notes	30.06.2021	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	(2,410)	(3,756)
Other Reserves and retained earnings	Note 13	64,862	53,576
Net profit (loss)	Note 13	14,842	17,643
Equity attributable to the owners of the parent		82,244	72,414
Equity attributable to non-controlling interests	Note 15	1,933	2,219
TOTAL EQUITY		84,177	74,632
NON-CURRENT LIABILITIES			
Long-term loans	Note 16	30,709	38,262
Non-current financial liabilities	Note 16	8,608	9,117
- of which related parties	Note 41	120	742
Employee benefits plans	Note 17	6,475	6,376
Provision for risks and charges	Note 18	3,701	3,813
Non current liabilities for options granted to non-controlling interest	Note 19	1,125	1,865
Other non-current liabilities	Note 20	2,266	363
- of which related parties	Note 41	141	50
Deferred tax liabilities	Note 5	2,772	2,713
TOTAL NON-CURRENT LIABILITIES		55,655	62,509
CURRENT LIABILITIES			
Current portion of long-term loans	Note 16	16,457	17,833
Current bank loans and borrowings	Note 16	27,001	21,305
Current financial liabilities	Note 16	2,230	1,741
- of which related parties	Note 41	44	205
Trade payables	Note 21	41,756	39,912
- of which related parties	Note 41	1,010	543
Advance from costumers	Note 22	24,338	19,421
Contract liabilities for work in progress	Note 7	4,127	5,101
Current liabilities for options granted to non-controlling interests	Note 19	740	(0)
Tax liabilities and social security contributions	Note 23	7,876	9,360
Other current liabilities	Note 24	20,736	18,243
- of which related parties	Note 41	3,141	428
TOTAL CURRENT LIABILITIES		145,260	132,916
TOTAL LIABILITIES		200,916	195,426
TOTAL LIABILITIES AND EQUITY		285,093	270,058

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(thousands of Euro)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS	Notes	30.06.2021	30.06.2020
Revenue	Note 25	142,269	100,643
- of which related parties	Note 41	318	-
Other revenue and income	Note 26	3,657	1,953
- of which related parties		-	8
TOTAL REVENUE AND OTHER INCOME		145,926	102,596
Costs of raw materials, components and goods and changes in inventories	Note 27	60,075	39,313
- of which related parties	Note 41	1,152	703
Services	Note 28	26,833	21,101
- of which related parties	Note 41	702	822
Use of third party assets	Note 29	760	548
Personnel expenses	Note 30	33,408	27,599
- of which related parties	Note 41	387	213
Other expenses	Note 31	1,591	946
Provisions for risks and charges	Note 32	(15)	3
Amortisation and depreciation	Note 33	3,551	2,748
- of which related parties	Note 41	36	88
TOTAL COSTS		126,203	92,258
OPERATING PROFIT		19,723	10,338
Financial income	Note 34	192	302
Financial Expenses	Note 34	(367)	(473)
- of which related parties	Note 41	1	2
Net exchange rate gain (losses)	Note 35	240	(165)
Gains (losses) on liabilities for option granted to non controlling interests	Note 36	-	230
Profit (losses) from equity investments carried at equity	Note 37	111	-
PROFIT BEFORE TAXES		19,898	10,232
Income taxes	Note 38	5,244	3,006
NET PROFIT		14,655	7,226
ATTRIBUTABLE TO:			
Owners of the parent		14,842	7,427
Non-controlling interests		(187)	(201)
Earnings per share			
Basic earnings per share (in Euros)	Note 14	0.29	0.15
Diluted earnings per share (in Euros)	Note 14	0.29	0.15

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(thousands of Euro)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	30.06.2021	30.06.2020
Net profit	14,655	7,226
Items that may be subsequently reclassified to profit or loss:	-	-
- Exchange rate differences	1,347	(1,451)
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	16,002	5,776
attributable to:	-	-
- Owners of the parent	16,189	5,977
- Non-controlling interests	(187)	(201)

CONSOLIDATED STATEMENT OF CASH FLOWS
(thousands of Euro)

Consolidated Statement of Cash Flow	30.06.2021	30.06.2020
OPERATING ACTIVITIES	-	-
Net profit	14,655	7,226
Adjustments for:	-	-
Amortisation and depreciation	3,551	2,748
Inventory write-down and bad debt provision	1,230	228
- Net non-monetary financial charges	-	-
- Net non-monetary financial (income)	48	170
Change in provisions for risks and charges and employee benefits liabilities	(59)	(13)
Net capital (gains) losses on sale of fixed assets and equity investments	(19)	(16)
Non-monetary changes related to liabilities for options granted to non-controlling interests	-	(230)
Investment equity valuation	(51)	-
Other non-monetary variations	(1,563)	(207)
Taxes	5,244	3,006
Cash flows from operating activities before changes in net working capital	23,034	12,912
(Increase)/decrease in trade receivables	(14,910)	7,358
- of which related parties	(319)	(59)
Increase in inventories	(450)	(4,708)
(Increase)/decrease in other current assets	(3,815)	(2,806)
- of which related parties	-	(399)
Increase/(decrease) in trade payables	1,605	(13,500)
- of which related parties	467	264
Increase/(decrease) in advance from customers	4,917	1,129
Increase/(decrease) in other current liabilities	(3,016)	705
- of which related parties	2,713	(2,152)
(Increase)/decrease in non-current assets	14	428
Increase/(decrease) in non-current liabilities	2,177	(498)
- of which related parties	91	-
Income taxes paid	(1,524)	(1,144)
CASH FLOWS FROM OPERATING ACTIVITIES (A)	8,033	(122)
INVESTING ACTIVITIES	-	-
Investments in property, plant and equipment	(514)	(918)
Investments in intangible assets	(321)	(113)
Disinvestments/(investments) in financial assets	967	0
Disinvestments in equity investments	(715)	-
Business combinations net of the acquired cash	-	-
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	(582)	(1,032)
FINANCING ACTIVITIES	-	-
Issuance of bank loans	373	3,731
Repayment of bank loans	(7,758)	(1,680)
Change in current bank loans and borrowings	5,696	(2,013)
Increase/(decrease) in other financial liabilities	(908)	(774)
- of which related parties	(783)	(2,152)
Dividends paid	(6,721)	-
CASH FLOWS USED IN FINANCING ACTIVITIES ©	(9,318)	(736)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	(1,867)	(1,890)
EFFECT OF EXCHANGE RATE CHANGES ON BALANCE OF CASH HELD IN FOREIGN CURRENCY	(8)	207
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)	85,578	57,440
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,867)	(1,890)
INTERESTS PAID	215	360

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(thousands of Euro)

	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, 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	-	-	-	(2)	-	-	(2)	2	-
Total comprehensive income	-	-	-	(1,451)	1	7,427	5,977	(201)	5,775
Balance at June 30th, 2020	6,000	1,200	(2,250)	(2,664)	57,639	7,427	67,351	3,575	70,926

	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	-	-	-	-	264	-	264	-	264
Change in non-controlling interests	-	-	-	(2)	-	-	(2)	2	-
Total comprehensive income	-	-	-	1,348	-	14,842	16,190	(187)	16,002
Balance at June 30th, 2021	6,000	1,200	(2,250)	(2,410)	64,862	14,842	82,244	1,933	84,177

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS

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

The 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 June 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 the Consolidated Half-Year Financial Report at June 30, 2021, which is made available to the public.

The Consolidated Half-Year Financial Report at June 30, 2021 was prepared as per Article 154-ter of Legislative Decree 58/98 and subsequent amendments, in addition to the Consob's Issuers' Regulation.

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

[Content, form and criteria for the preparation of the Condensed Consolidated Half-Year Financial Statements at June 30, 2021.](#)

The Condensed Consolidated Half-year Financial Statements of the Piovan Group at June 30, 2021 have been drawn up in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission in accordance with the procedure laid down by Article 6 of Regulation (EC) No. 1606/2002 of the European Parliament and Council dated July 19, 2002.

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

The financial statement tables are the same as those adopted for the Annual Financial Report at December 31, 2020. 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, to the statement of cash flow and the statement of changes in equity for the first half of 2020.

The Condensed Consolidated Half-Year Financial Statements have been prepared on the basis of the historical cost convention, with the exception of derivative financial instruments which have been recognized at fair value as required by IFRS 9 - “Financial Instruments”, and were prepared on a going-concern basis. The Group, in accordance with paragraphs 25 and 26 of IAS 1, considers - also in view of its strong competitive positioning, its high profitability and the solidity of its balance sheet and financial position - that there are no financial, operational, or other indicators that could point to uncertainties surrounding the Group’s ability to meet its obligations for the next 12 months or for the foreseeable future.

The Notes, in accordance with IAS 34, are reported in condensed format and do not include all the disclosures required for annual accounts, as they refer exclusively to those items which, for amount, composition or variation, are essential for the full understanding of the interim financial situation and results of the Group. Therefore, these Condensed Consolidated Half-Year Financial Statements should be read together with the Annual Financial Report at December 31, 2020.

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

These Condensed Consolidated Half-Year Financial Statements are presented in thousands of euro. There may be rounding differences when individual line items are added together as the individual line items are calculated in euro (rather than in thousands of euro).

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

COVID-19 impacts

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.

The Covid-19 effects (temporary shutdown of operations, potential drop in demand and/or profitability) may indicate that one or more impairment indicators exist. On the preparation of the Condensed Consolidated Half-Year Financial Statements, Management therefore made valuations in this regard and as a result consider no impairment indicators to exist for the Piovan Group, taking account of the fact that (i) the company's stock market capitalization at June 30, 2021 remains comfortably above shareholders' equity at the same date, (ii) the order portfolio at the same date gives rise to optimism for short-term production volumes, (iii) the net financial position was not significantly impacted by the altered general economic environment, (iv) the performances in the first half of 2021, compared to the same period of the previous year, were very strong and improving, both in terms of revenues and margins.

Therefore, it was not deemed necessary to conduct the impairment test for the main CGU's to which goodwill was allocated, as the assessment conducted in relation to December 31, 2020 is essentially confirmed. For further details, reference should be made to Note 2.

Consolidation scope

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

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

Note [41] Other information in the Notes outlines the companies included in the consolidation scope at June 30, 2021.

Basis of Consolidation

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

Company	% of ownership as at 30.06.2021	% of ownership as at 31.12.2020
CMG America Inc.	100%	100%

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

Main accounting policies applied

In the preparation of these Condensed Consolidated Half-Yearly Financial Statements, the accounting standards and policies adopted are those as utilized in the preparation of the Consolidated Financial Statements as at December 31, 2020, with the exception of that reported 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 January 1, 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 amendment was approved by the European Union on 30 August 2021.

All the amendments entered into force as of January 1, 2021. The adoption of this amendment does not have effects on the consolidated financial statements of the Group.

[IFRS and IFRIC standards, amendments and interpretations approved by the European Union, not yet mandatory and not adopted in advance by the Company at June 30, 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 January 1, 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 Half-Year Financial Report, 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. In addition, the following is noted.

Translation of balances in foreign currencies

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

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

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

The main exchange rates (currency for 1 Euro) used to translate the financial statements in currencies other than the Euro for the periods ended June 30, 2020, December 31, 2020 and June 30, 2021 (comparative data) are summarized below:

Currency		Average rate		Closing rate	
		30.06.2020	30.06.2021	31.12.2020	30.06.2021
BRL	Brazilian Real	5.4169	6.4917	6.3735	5.9050
CAD	Canadian Dollar	1.5031	1.5040	1.5633	1.4722
CZK	Czech Koruna	26.3422	25.8551	26.2420	25.4880
CNY	Yuan Renminbi	7.7481	7.7980	8.0225	7.6742
GBP	Pound Sterling	0.8743	0.8684	0.8990	0.8581
HUF	Forint	345.3946	357.8540	363.8900	351.6800
MXN	Mexican Peso	23.8571	24.3207	24.4160	23.5784
USD	US Dollar	1.1015	1.2057	1.2271	1.1884
THB	Baht	34.8253	37.1472	36.7270	38.1180
INR	Indian Rupee	81.6766	88.4487	89.6605	88.3240
TRY	Turkish Lira	7.1521	9.5126	9.1131	10.3210
AED	UAE Dirham	4.0451	4.4278	4.5065	4.3644
JPY	Yen	119.2072	129.8117	126.4900	131.4300
VND	Dong	25,664.5000	27,784.8333	28,331.0000	27,358.0000
MAD	Dirham Marocco	10.7592	10.7498	10.9190	10.5910
KRW	Won sud	1,329.2950	1,347.3633	1,336.0000	1,341.4100

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

Use of estimates

When preparing the Condensed Consolidated Half-year Financial Statement, 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 relevant circumstances. The application of these estimates and assumptions impact upon the amounts reported in the financial statements, such as the financial situation and balance sheet, the statement of profit or loss and the cash flow statement, and on the disclosures in the notes to the accounts.

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.

For the captions most affected by these valuations and estimates, there have been no changes with respect to the Annual Financial Report at 31 December 2020, to which reference should be made.

INFORMATION ON RISKS AND FINANCIAL INSTRUMENTS

The accounting policies applied in the preparation of the Condensed Half-Year Financial Report 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.

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

30.06.2021										
(€/000)	EUR	USD	CNY	BRL	MXN	THB	GBP	CAD	Altre valute	Total
Total assets	203,599	28,472	12,576	10,220	5,473	8,159	4,850	5,301	6,444	285,094
Total liabilities	152,179	12,029	5,715	6,839	3,333	8,111	4,289	2,102	6,318	200,914

31.12.2020										
(€/000)	EUR	USD	CNY	BRL	MXN	THB	GBP	CAD	Altre valute	Total
Total assets	191,800	27,125	12,031	8,165	5,378	7,078	7,274	4,126	6,771	269,748
Total liabilities	143,821	14,115	5,899	5,539	3,533	6,841	7,041	1,355	6,989	195,134

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

Net revenues	30.06.2021			30.06.2020		
	Current Forex in €	Forex +10%	Forex -10%	Current Forex in €	Forex +10%	Forex -10%
EUR - Euro	97,568	97,568	97,568	62,354	62,354	62,354

	30.06.2021			30.06.2020		
Net revenues	Current Forex in €	Forex +10%	Forex -10%	Current Forex in €	Forex +10%	Forex -10%
USD - US Dollar	22,755	20,732	25,339	20,942	19,459	23,783
CNY - Renminbi	7,677	6,979	8,530	5,794	5,266	6,436
BRL – Real	4,656	4,233	5,173	2,940	2,672	3,266
GBP - Pound sterling	5,093	4,630	5,658	3,579	3,253	3,976
THB – Bath	711	646	790	993	902	1,103
TRY - Turkish lira	416	378	462	543	494	604
INR - Indian rupee	379	344	421	212	193	236
JPY - Japanese yen	26	24	29	43	39	47
CAD - Canadian dollar	-	-	-	-	-	-
MXN - Mexican peso	52	47	58	45	41	50
AED - United Arab Emirates dirham	39	36	43	11	10	12
VND - Vietnamese Dong	61	55	67	64	58	71
HUF - Hungarian forint	67	61	74	24	22	27
CSK - Czech Koruna	94	85	104	81	74	90
KRW - South Korean Won	2,663	2,421	2,959	3,018	2,743	3,353
MAD - Dirham	13	12	15	1	1	1
TOTAL	142,269	138,250	147,291	100,643	97,581	105,410

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

	30.06.2021			30.06.2020		
Result before taxes	Current Forex in €	Forex +10%	Forex - 10%	Current Forex in €	Forex +10%	Forex - 10%
EUR - Euro	13,822	13,822	13,822	8,516	8,516	8,516
USD - US Dollar	3,524	3,204	3,916	376	341	417
CNY - Renminbi	619	563	688	859	781	954
BRL - Real	596	541	662	(271)	(246)	(301)
GBP - Pound sterling	354	322	394	232	211	257

Result before taxes	30.06.2021			30.06.2020		
	Current Forex in €	Forex +10%	Forex - 10%	Current Forex in €	Forex +10%	Forex - 10%
THB - Bath	(169)	(154)	(188)	11	10	12
TRY - Turkish lira	(39)	(36)	(44)	30	27	33
INR - Indian rupee	100	91	111	9	8	10
JPY - Japanese yen	122	111	136	(58)	(53)	(64)
CAD - Canadian dollar	368	335	409	305	277	339
MXN - Mexican peso	466	423	517	740	673	822
AED - United Arab Emirates dirham	117	106	130	(55)	(50)	(61)
VND - Dong	11	10	12	(16)	(14)	(17)
HUF - Hungarian forint	35	32	39	12	11	14
KRW - South Korean Won	(190)	(173)	(211)	(529)	(481)	(587)
MAD - Dirham	17	15	18	26	23	29
CSK - Czech Koruna	146	133	162	46	42	51
TOTAL	19,898	19,345	20,573	10,232	10,076	10,423

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

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

Interest expense on variable rate loans (€'000)	Interest expenses	+0.25%	+0.50%	-0.25%	-0.50%
30.06.2020	26	44	62	7	-
30.06.2021	16	38	62	-	-

EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

[1] Property, plant and equipment

They amount to Euro 51,430 thousand at June 30, 2021 (Euro 52,324 thousand at December 31, 2020). They are composed as shown in the following tables, which also present the changes in the period.

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	37	37	44	341	54	513
- IFRS16 effect	647			281		928
- Disposals (Historical cost)		(121)	(39)	(379)		(539)
- Disposals (Depreciation fund)		121	39	376		536
- Exchange rate differences (Historical cost)	273	146	(9)	114		524
- Exchange rate differences (Depreciation fund)	(27)	(98)	(2)	(67)		(194)
- Depreciation	(362)	(453)	(162)	(582)		(1,559)
- Depreciation IFRS16	(878)	(45)		(180)		(1,103)
Balance at 30, June 2021	37,883	8,893	101	4,243	309	51,430
of which:						
- Historical cost	46,055	19,642	5,804	17,363	309	89,174
- Depreciation fund	(8,172)	(10,749)	(5,703)	(13,120)	-	(37,744)

Increased rights-of-use of Euro 928 thousand were recognized due to the accounting as per IFRS 16 of the new long-term lease contracts signed in the period. The increase is principally due to the production plant lease contract of the Chinese subsidiary Piovan Plastic Machinery.

At June 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	647	-	-	281	928
- New IFRS16 contracts	682	-	-	256	938
- Exchange rate differences (Historical cost)	42	-	-	(7)	35
- Exchange rate differences (Depreciation fund)	(27)	-	-	(37)	10
- Disposals (Historical cost)	(53)	-	-	(18)	(71)
- Disposals (Depreciation fund)	3	-	-	13	16
- Depreciation	(878)	(45)	-	(180)	(1,103)
Balance at 30, June 2021	14,479	101	-	975	15,556
of which:	-	-	-	-	-
- Historical cost	22,845	1,870	-	2,620	27,293
- Depreciation fund	(8,366)	(1,769)	-	(1,655)	(11,789)

The breakdown of property, plant and equipment by geographical area is as follows:

Property, plant and equipment	30.06.2021	31.12.2020
EMEA	41,064	42,406
- of which Italy	36,128	37,318
NORTH AMERICA	7,732	7,791
- of which the United States of America	7,484	7,506
ASIA	1,524	1,126
SOUTH AMERICA	1,110	1,002
Total	51,430	52,324

[2] Intangible assets

They amounted to Euro 27,063 thousand at June 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	-	188	68	26	40	321
- Consolidation area change	-	-	-	-	-	-
- Disposals	-	-	-	-	-	-

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
- Dismissioni (Fondo ammortamento)	-	-	-	-	-	-
- Exchange rate differences (Historical cost)	99	-	2	1	1	102
- Exchange rate differences (depreciation fund)	-	-	-	-	-	-
- Depreciation	-	(164)	(37)	(688)	-	(889)
Balance at 30, June 2021	22,257	521	83	4,112	90	27,064

The regional breakdown of intangible assets is as follows:

Intangible Assets	30.06.2021	31.12.2020
EMEA	22,720	24,145
- of which Italy	22,711	24,131
NORTH AMERICA	3,150	2,296
- of which the United States of America	3,150	3,050
ASIA	1,054	995
SOUTH AMERICA	141	93
Total	27,064	27,529

Goodwill at June 30, 2021 amounted to Euro 22,257 thousand, with the movement on 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 Enerys CGU, from the acquisition of Enerys 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, 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	30.06.2021
UnaDyn	3,051	-	-	99	3,150

Goodwill	31.12.2020	Increase	Decrease	Change in translation reserve	30.06.2021
Food	2,146	-	-	-	2,146
Energys	276	-	-	-	276
Toba Pnc	982	-	-	-	982
Doteco	15,695	-	-	-	15,695
Other	8	-	-	-	8
Total	22,158	-	-	99	22,257

The Group has no goodwill which is tax deductible.

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

Details of impairment test

Goodwill is allocated to the Group's cash generating units, essentially related to the shareholdings mentioned above, given that they arose following the acquisition of controlling interests in those companies.

A new test was not conducted in preparing the consolidated financial statements for the first half of 2021, as no indicators of impairment have been identified. In addition to confirmation of the backlog and the receipt of new contracts, the CGU's to which the goodwill was allocated achieved performances for the period in line with the forecasts used for the impairment tests conducted at December 31, 2020. Therefore, while considering the uncertainty surrounding the current general economic landscape and the COVID-19 pandemic, the assumptions concerning the recoverability of the carrying value of goodwill as described in the Annual Report for the year ended December 31, 2020 have been confirmed.

[3] Equity investments

At June 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	30.06.2021
CMG S.p.A.	Budrio (BO)	20%	146	-	-	146
Penta Auto Feeding India Ltd	Navi Mumbai (India)	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 company 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 June 30, 2021, following the positive result achieved by the subsidiary, the related provision for risk was released for an 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 June 30, 2021, the value remains unchanged, as the subsidiary is as of today non operating.

[4] Other non-current assets

At June 30, 2021, these amounted to Euro 563 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 5,207 thousand at June 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 2,772 thousand at June 30, 2021, compared to Euro 2,713 thousand at December 31, 2020.

	31.12.2020	Change in Translation reserve	Effect on income statement	30.06.2021
Deferred tax assets	4,788	66	353	5,207
Deferred tax liabilities	(2,713)	1	(59)	(2,772)
Total	2,075	67	294	2,435

[6] Inventories

At June 30, 2021, they amounted to Euro 37,402 thousand, compared to Euro 36,920 thousand at December 31, 2020; the breakdown is shown below:

<i>Inventories</i>	30.06.2021	31.12.2020
Raw materials	8,985	6,833
Semi-finished products	14,602	18,594
Finished goods	17,869	14,986
Progress payments	1,206	735
Allowance for inventory write-down	(5,261)	(4,229)
Inventories	37,402	36,920

At June 30, 2021, inventories increased by Euro 1.514 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] Assets and liabilities for contract work-in-progress

At June 30, 2021, the item Assets for contract work-in-progress amounted to Euro 6,415 thousand, compared with Euro 6,477 thousand at December 31, 2020.

Liabilities for contract work-in-progress amounted to Euro 4,127 thousand at June 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., Piovan Do Brasil Industria e Comercio Ltda, FEA and Piovan UK.

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

<i>Contract assets for work in progress</i>	30.06.2021	31.12.2020
Measurement of contracts in progress (costs incurred added to profits recognized)	20,799	10,729
Progress payments received	(14,385)	(4,252)
Amounts due from customers	6,415	6,477

<i>Contract liabilities for work in progress</i>	30.06.2021	31.12.2020
Measurement of contracts in progress (costs incurred added to profits recognized)	7,079	6,501
Progress payments received	(11,206)	(11,602)
Amounts due to customers	(4,127)	(5,101)

The value of *Contract assets for work-in-progress* is essentially unchanged from December 31, 2020. A number of orders were completed while there was progress in the production of new orders acquired at the end of 2020.

The increase of *Contract liabilities for work-in-progress* compared to December 31, 2020, is due to an increase in advances on the orders, which resulted in some of them to exceed the value of the advances received thus leading to the recognition of contract assets for work-in-progress. This primarily includes orders of the subsidiaries Penta S.r.l., , FEA PTP S.r.l. e a Piovan UK.

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

	31.12.2020	Decrease	Increase	30.06.2021
Contract assets for work in progress	6,477	(5,068)	5,006	6,415
Contract liabilities for work in progress	(5,101)	2,799	(1,825)	(4,126)

Revenue from contract work-in-progress amounted to approximately Euro 17 million in the first half of 2021 and related mainly to the subsidiary Penta S.r.l. and to Piovan UK.

[8] Trade receivables

They amounted to Euro 56,685 thousand at June 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:

<i>Receivables</i>	30.06.2021	31.12.2020
Gross trade receivables	62,317	46,905
Provision for bad debt	(5,632)	(4,974)
Trade receivables	56,685	41,931

Receivables by region are broken down in the following table:

<i>Receivables</i>	30.06.2021	31.12.2020
EMEA	34,048	30,110
<i>of which Italy</i>	13,169	12,805
NORTH AMERICA	10,093	3,242
ASIA	9,807	5,499
SOUTH AMERICA	2,736	3,079
Receivables	56,684	41,931

The increase in receivables on December 31, 2020 (+35%), mainly related to current receivables, is attributable to the high level of sales during the first half of the year and in particular during the last two months of the period.

Receivable 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 in fact reflects management's estimate based on the expected losses by the companies of the Group, 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 bad debt accrual is included under Other operating costs.

The following table contains a breakdown of third party trade receivables by overdue category:

<i>Receivables and bad debt</i>	<i>30.06.2021</i>		<i>31.12.2020</i>	
	<i>Receivables</i>	<i>Provision</i>	<i>Receivables</i>	<i>Provision</i>
Receivables due to expire	39,702	(413)	27,251	(336)
Receivables overdue within 30 days	8,265	(88)	7,128	(88)
Receivables overdue between 1 and 12 months	10,498	(1,279)	8,831	(1,140)
Receivables overdue over 12 months	3,852	(3,852)	3,695	(3,411)
Totale	62,317	(5,632)	46,905	(4,974)

At June 30, 2021, amounts due within 12 months increased compared to December 31, 2020, due to the high level of sales, as described above. The past due beyond 12 months, even if increased, is fully covered by the provision.

It should also be noted that the Group does not have any credit positions at risk related to the COVID emergency.

<i>Provision for bad debt</i>	
31.12.2020	4,974
Release	(70)
Accruals	695
Utilisations	(17)
Change in consolidation area	0
Exchange rate differences	44
Riclassifications	5
30.06.2021	5,631

<i>Provision for bad debt</i>	
31.12.2019	4,793
Release	(249)
Accruals	1,317
Utilisations	(496)

Provision for bad debt	
Change in consolidation area	3
Exchange rate differences	(387)
Riclassifications	(7)
31.12.2020	4,974

[9] Current financial assets

They amounted to Euro 4,131 thousand at June 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 June 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 2021 is a net gain of Euro 48 thousand.

[10] Tax receivables

They amounted to Euro 3,515 thousand at June 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 subsidiaries Penta S.r.l., Aquatech S.r.l. and Doteco S.p.A..

Tax receivables	30.06.2021	31.12.2020
VAT receivables	3,012	2,601
Other current tax assets	502	662
Tax receivables	3,515	3,263

[11] Other current assets

They amounted to Euro 6,902 thousand at June 30, 2021, compared to Euro 3,497 thousand at December 31, 2020. A breakdown follows:

Other current assets	30.06.2021	31.12.2020
Advances to suppliers	3,274	2,179
Receivables from parent	0	40
Prepayments and accrued expenses	1,122	870
Other receivables	2,506	409
Other current assets	6,902	3,497

[12] Cash and cash equivalents

They amount overall to Euro 85,578 thousand at June 30, 2021, compared to Euro 87,452 thousand at December 31, 2020.

Cash and cash equivalents	30.06.2021	31.12.2020
Current accounts and post office deposits	85,555	87,431
Cash equivalent	0	0

Cash and cash equivalents	30.06.2021	31.12.2020
Cash	23	21
Cash and cash equivalents	85,578	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.

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

[13] Equity attributable to the owners of the Parent

Equity is made up as follows:

Equity attributable to the owners of the parent	30.06.2021	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	(2,410)	(3,756)
Other Reserves and retained earnings	64,862	53,576
Net profit (loss)	14,842	17,643
Equity attributable to the owners of the parent	82,244	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 June 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 402 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 amounting to Euro 6,621 thousand, paid to the shareholders of the Parent Company in May 2021.

[14] Basic and diluted earnings per share

At June 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 Shares Plan, there are ordinary shares that could be assigned at the end of the vesting period, drawing on treasury shares in the portfolio and which could have a diluting effect.

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

Earnings per share	30.06.2021	30.06.2020
Net Profit Attributable to Owners of the Parent (in thousands of Euros)	14,842	7,427
Weighted average number of ordinary shares (in thousands of units)	50,929	50,929
Basic earnings per share (in Euros)	0.29	0.15

The diluted earnings per share is as follows:

Earnings per share	30.06.2021	30.06.2020
Net Profit Attributable to Owners of the Parent (in thousands of Euros)	14,842	7,427
Weighted average number of ordinary shares (in thousands of units)	50,866	50,866
Diluted earnings per share (in Euros)	0.29	0.15

[15] Equity attributable to non-controlling interests

Equity attributable to non-controlling interests at June 30, 2021 amounted to Euro 1,933 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 and Toba. The loss in the first half of 2021 mainly concerned the minority interest share of the subsidiaries Toba and FEA, which reported losses in the period.

During the first half of the year, 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	30.06.2021
2,219	(187)	(99)	-	-	1,933

[16] Current and non-current financial liabilities

The account is broken down as follows:

Current financial liabilities	30.06.2021	31.12.2020
Short-term bank borrowings	27,001	21,305
Current portion of long-term loans	16,457	17,833
Loans for leases	36	329
Other loans and borrowings	2,194	1,412
Current financial liabilities	45,687	40,879

Non-current financial liabilities	30.06.2021	31.12.2020
Medium to long-term bank loans	30,709	38,262
Loans for leases	183	1,099
Other loans and borrowings	8,425	8,019
Non-current financial liabilities	39,317	47,379

A breakdown of bank loans main characteristics is provided below:

Loan	Currency	Original amount (EUR)	Maturity	Interest rate	Terms	30.06.2021			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%	2,400	1,600	800	3,200	1,600	1,600
2	EUR	6,000	05/04/2022	Fixed	0.48%	1,511	1,511	-	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%	5,264	1,745	3,519	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%	4,000	1,000	3,000	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%	1,336	667	669	1,668	665	1,003
9	EUR	20,000	14/10/2025	Fixed	0.67%	17,961	4,000	13,961	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%	841	149	692	844	149	695
12	KRW	146	24/09/2021	Fixed	2.085%	149	149	-	150	150	-
13	KRW	373	29/06/2026	Fixed	2.030%	373	-	373	-	-	-
14	USD	-	-	-	-	-	-	-	1,512	1,176	336
15	USD	-	-	-	-	-	-	-	32	32	-
16	EUR	-	-	-	-	-	-	-	1	1	-
Total						47,167	16,457	30,709	56,141	17,842	38,298

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

Bank loan No. 13 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..

The breakdown of movements regarding “Medium/long term bank loans” and the “Current portion of medium/long term loans” at June 30, 2021 and December 31, 2020 is provided below.

Current financial liabilities	31.12.2020	Net cash flow	Increases for new loans	Change for forgiveness	Increase for new rent/lease	30.06.2021
Short-term bank borrowings	21,305	5,696	-	-	-	27,001
Current portion of long-term loans	17,833	(168)	-	(1,208)	-	16,457
Other current financial liabilities	1,741	44	-	-	445	2,230
Current financial liabilities	40,879	5,575	-	(1,208)	445	45,687

Non-current financial liabilities	31.12.2020	Net cash flow	Increases for new loans	Change for forgiveness	Increase for new rent/lease	30.06.2021
Medium to long-term bank loans	38,262	(7,589)	373	(336)	-	30,709
Other non-current financial liabilities	9,118	(951)	-	-	442	8,609
Non-current financial liabilities	47,380	(8,541)	373	(336)	442	39,318

As required by IFRS 7, the following table shows cash flows relating to the Group’s financial liabilities by maturity.

30.06.2021	Total	Total flows	Within 1 year	From 1 to 5 years	Over 5 years
Medium/long-term bank loans	30,709	30,948	-	30,948	-
Ordinary debentures after the next financial year	-	-	-	-	-
Lease financing after the next financial year	183	183	-	183	-
Other	8,425	8,425	-	8,425	-
Non-current financial liabilities	39,317	39,556	-	39,556	-
Current portion of medium/long-term loans	16,457	16,648	16,648	-	-

30.06.2021	Total	Total flows	Within 1 year	From 1 to 5 years	Over 5 years
Current bank borrowings	27,001	27,002	27,002	-	-
Lease financing within the financial year	36	36	36	-	-
Other	2,194	2,194	2,194	-	-
Current financial liabilities	45,687	45,879	45,879	-	-

[17] Employee benefits plan

The item, amounting to Euro 6,475 thousand at June 30, 2021 and Euro 6,376 thousand at December 31, 2020, mainly includes the liabilities for the Post-employment benefit provision recorded in the companies of the Group qualifying as defined benefit plans according to IAS 19 and subject to actuarial calculation.

Liabilities for employee benefits	30.06.2021	31.12.2020
Opening balance	6,333	4,778
Change in consolidation scope	-	1,368
Other changes	-	(3)
Employee benefits paid	(377)	(341)
Currency translation difference	-	(6)
Provision	795	1,729
Transfer to pension funds and INPS treasury	(319)	(1,200)
Actuarial earnings (losses)	-	(35)
Interest cost	0	44
Closing balance	6,432	6,333

The remaining part of the balance (Euro 43 thousand at December 31, 2020 and at June 30, 2021) concerns other employee benefits paid by foreign branches.

With reference to the actuarial assumptions illustrated in the Explanatory Notes to the Consolidated Financial Report at 31 December 2020, no facts or events emerged that would require an update of the actuarial calculation and the underlying assumptions.

[18] Provisions for risks and charges

The provision for risks and charges at June 30, 2021 amounted to Euro 3,701 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	Actuarial gain or loss	reclassified	30.06.2021
Provision for legal and tax risks	2,648	868	(905)	38	-	(98)	2,550
Provision for product warranties	804	35	-	8	-	-	847

	31.12.2020	Accruals	Releases/ Reclassifications	Exchange rate differences	Actuarial gain or loss	reclassified	30.06.2021
Provision for agents' termination benefits	219	17	-	-	-	-	236
Pension provision	42	-	-	-	-	-	42
Provision for investments' losses	75	-	(59)	-	-	(16)	(0)
Other provisions for risks	25	-	-	-	-	-	25
Provisions for risks and charges	3,813	920	(964)	46	-	(114)	3,701

The value of the provision at June 30, 2021, decreased from the end of 2020 due to greater releases/uses than allocations.

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

- a provision of Euro 108 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 374 thousand of the subsidiary Piovan Do Brasil was accrued in previous years against a potential liability that could arise as a result of a more restrictive interpretation of the tax regulations for the calculation of taxes. The subsidiary appointed highly qualified tax consultants to analyze the case and quantification of the accrual. The value of this provision at June 30, 2021, remained unchanged despite the release of Euro 40 thousand, an allocation of Euro 5 thousand, and an increase of Euro 35 thousand due to the trend of the local Brazilian currency against the Euro;
- a provision set aside in 2018 for a total amount at June 30, 2021 of USD 300 thousand (Euro 252 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 the year by Euro 207 thousand, which represents the best estimate of potential charges related to the commercial activities of Piovan S.p.A., Penta S.r.l 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 the period.

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

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

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

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

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

- 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 is determined at the time of the exercise on the basis of defined economic and financial parameters according to the agreements between the parties. The value remained unchanged compared to December 31, 2020.
- 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 is determined at the time of the exercise on the basis of defined economic and financial parameters according to 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	Increases	Decreases	Reclassification	Charges (Income) from valuation	30.06.2021
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 regard to the subsidiary FDM, the minority shareholder of the latter holds a put option on its share (33.33%). This option has not been measured as it is subordinate to actions that the Parent Company must implement and therefore under the control of the latter.

[20] Other non-current liabilities

At June 30, 2021, these amounted to Euro 2,266 thousand compared to Euro 363 thousand at December 31, 2020 and comprise the residual earn-out payable concerning Doteco group acquisition for Euro 1,018 thousand, employee payables for medium/long-term incentive plans for Euro 1,059 thousand and tax payables of the subsidiaries Piovan Do Brasil and FEA for the residual.

[21] Trade payables

They amounted to Euro 41,636 thousand at June 30, 2021, compared to Euro 39,912 thousand at December 31, 2020. The increase on 2020 was due to the higher Group revenues.

[22] Advance from customers

At June 30, 2021, Advances from customers amounted to Euro 24,338 thousand, compared to Euro 19,421 thousand at December 31, 2020. The increase was due to the strong orders in the first six months of 2021.

[23] Tax liabilities and social security contributions

They amount to Euro 7,876 thousand at June 30, 2021, compared to Euro 9,360 thousand at December 31, 2020. The account is broken down as follows:

	30.06.2021	31.12.2020
Social security contributions	2,802	3,407
VAT liabilities	1,597	2,922
Tax withholdings for employees	1,156	1,809
Income tax liabilities	2,046	1,009
Other	276	212
Tax liabilities and social security contributions	7,876	9,360

[24] Other current liabilities

They amounted to Euro 20,736 thousand at June 30, 2021, compared to Euro 18,243 thousand at December 31, 2020. The account is broken down as follows:

	30.06.2021	31.12.2020
Payables to employees	7,083	4,143
Payables to parent company	3,059	346
Accrued income and deferred expense	2,554	2,355
Other payables	8,039	11,399
Other current liabilities	20,736	18,243

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

The increase in the caption at 30 June 2021 compared to the previous year mainly derives from the allocation of the debt for the thirteenth month to be paid, not included in the balance at 31 December 2020 as it has been already paid.

Payables to parent companies mainly refer to the parent company Piovan S.p.A. and relating to current taxes estimated on the basis of the results achieved in the period and regulated under the tax consolidation contract in place with the parent company Pentafin S.p.A..

Other payables, which decreased compared to the previous year, refers mainly to the deferred part of the purchase price of the investment in Dotecco S.p.A., regarding the earn-out. These amounts will be settled as contractually required. These amounts will be paid, as required by the contract. In particular, a first tranche equal to Euro 5,982 thousand was paid in August 2021 on the basis of the results of 2020 and is therefore included in "Other current liabilities" while the residual, equal to 1,018 thousand euro is expected to be paid in August 2022 and was therefore classify under non-current liabilities (Note 20).

EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

[25] Revenue

Revenue amounted to Euro 142,269 thousand in the first half of 2021, compared to Euro 100,643 thousand in the first half of 2020, an increase of 41.4%. 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 half-year 2021	First half-year 2020
Plastic	108,105	80,420
Food & non plastic	17,523	7,469
Services	16,641	12,754
Revenue	142,269	100,643

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 consolidated financial statements at December 31, 2020. This revenue category amounted to Euro 17 million in the first half of 2021, while in the first half of 2020 amounting to Euro 10 million. Such revenue mainly relates to the subsidiaries Penta S.r.l., Piovan UK and Fea S.r.l.

The breakdown of revenue by region is as follows:

	First half-year 2021	First half-year 2020
EMEA	92,880	61,444
ASIA	15,869	12,967
NORTH AMERICA	26,720	21,299
SOUTH AMERICA	6,801	4,933
Revenue	142,269	100,643

Revenue in EMEA include revenue in Italy which amounted to Euro 27,844 thousand in the first half of 2021 and Euro 17,833 thousand in the first half 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 3,657 thousand, increasing Euro 1,704 thousand compared to the first half-year of 2020 and which break down as follows:

	First half-year 2021	First half-year 2020
Accessory transport services for sales	1,154	1,130
Machinery rent	50	13
Grants related to income	68	223
Gains for disposal of tangible and intangible assets	182	195
Gains for disposal of tangible and intangible assets	19	16
Recharges to suppliers	35	58
Insurance compensation	16	20
Agency commissions	74	0
Sale of scrap materials	0	36
Increase in fixed assets for internal works	60	88
Other	1,999	175
Other revenue and income	3,657	1,953
of which non-recurring	1,539	-

Other non-recurring revenue includes a grant in the amount of Euro 1,539 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. The amount was disbursed in 2020 as a loan and was subsequently converted following specific approval by competent authorities, after compliance and requirement verifications.

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

This item amounted to Euro 60,075 thousand in the first half of 2021, compared to Euro 39,313 thousand in the first half of the previous year. This item is broken down as follows:

	First half-year 2021	First half-year 2020
Costs of raw materials, components and goods	57,810	42,343
Costs of consumables	1,924	1,891
Change in raw materials and goods	(2,034)	(678)

	First half-year 2021	First half-year 2020
Change in finished goods and semi-finished products	2,375	(4,243)
Costs of raw materials, components and goods and changes in inventories	60,075	39,313

The significant increase in purchases of raw materials, components and goods mainly follows the increase in sales and their mix compared to the previous year; finally, there is a residual effect on costs deriving from the increase in raw material prices.

[28] Services

Services amounted to Euro 26,833 thousand in the first half of 2021, compared with Euro 21,101 thousand in the same period of 2020, increasing 27.16%.

The breakdown of the account was as follows (Euro thousands):

	First half-year 2021	First half-year 2020
Outsourcing	12,437	9,156
Transport	3,748	2,946
Business trips and travel	1,416	1,247
Agency commissions	1,760	1,317
Fees to directors, statutory auditors and independent auditors	1,066	973
Consultancies	1,588	1,426
Maintenance and repairs	999	874
Marketing and advertising	636	521
Utilities	728	655
Insurance	483	459
Telephone and connections	306	232
Other costs for services	1,668	1,294
Services	26,833	21,101

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 12,437 thousand in 2021 (46.3% of total service costs) determined by the production methods of the Group, which concentrates internally processing and high value added and core activities, while it makes use of a consolidated network of suppliers for easier processing. In 2020, this item amounted to Euro 9,156 thousand (43.4% of total *Service Costs*). Outsourcing as a percentage of revenue was slightly down on the previous year;

- transport costs on purchases and sales, which increased in value but slightly decreased 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.
- marketing and advertising costs, which increased from 2020, a period which included the effects of the pandemic, although not back to 2019 levels.

[29] Use of third party assets

Use of third party assets amounted to Euro 760 thousand, compared with Euro 548 thousand in the first half of 2020.

This item is broken down as follows:

	First half-year 2021	First half-year 2020
Rental expenses	194	94
Leases	217	195
Hires	349	258
Use of third party assets	760	548

From January 1, 2019, for rental contracts covered by IFRS16, the Group recognised 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 expenses

Personnel expenses amounted to Euro 33,408 thousand, compared with Euro 27,599 thousand in the first half of 2020. A breakdown of personnel expenses and the workforce by category is provided below:

	First half-year 2021	First half-year 2020
Wages and salaries	25,414	20,754
Social security contributions	6,616	5,666
Costs for defined benefit plans	806	644
Other expenses	572	535

	First half-year 2021	First half-year 2020
Personnel expenses	33,408	27,599

Personnel expenses increased Euro 5,809 thousand from the first half 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 Dotec group in the second half of 2020.

The accrued expense related to the long-term incentive plans were also estimated and recognized in 2021, but not as at June 2020, in the amount of about Euro 1,018 thousand.

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

	30.06.2021		30.06.2020	
	period end	average	period end	average
Managers	30	29	27	28
Junior managers	70	71.67	66	66
White collars	671	663.49	608	614
Blue collars	394	394.2	375	380
Total	1,165	1,158	1,076	1,088

The workforce increased by 10 employees compared to the first half of 2020 at like-for-like consolidation scope.

[31] Other expenses

This item amounted to Euro 1,591 thousand compared with Euro 946 thousand in the previous year. This item is broken down as follows:

	First half-year 2021	First half-year 2020
Other taxes and duties	528	532
Bad debt provision	626	13
Entertainment costs	124	134
Other	313	267
Other expenses	1,591	946

[32] Provisions for risks and charges

Provisions for risks came to a positive balance of Euro 15 thousand, with releases exceeding allocations. The balance was also nearly zero in the first half of 2020.

[33] Amortization and depreciation

This item amounted to Euro 3,551 thousand, compared with Euro 2,748 thousand in the first half of 2020. This item is broken down as follows:

	First half-year 2021	First half-year 2020
Amortisation	889	209
Depreciation	1,559	1,691
Right of Use depreciation (IFRS16)	1,103	848
Depreciation & amortisation	3,551	2,748

The increase in the account of Euro 803 thousand includes:

- Euro 566 thousand for amortization arising from the allocation of the price difference relating to the acquisition of the Doteco Group.
- the change in consolidated companies following the acquisition of the Doteco group in the second half of 2020 for the remainder.

[34] Financial income and expenses

The account presented net expenses of Euro 175 thousand in the first half of 2021, compared to Euro 171 thousand in 2020. This item is broken down as follows:

	First half-year 2021	First half-year 2020
Interest income	132	257
Income on financial assets	12	-
Other financial income	47	45
Financial income	192	302
Bank interest expenses	82	91
Other interest expenses	125	89
Other financial expenses	160	293
Financial expense	367	473
Net financial income (charges)	(175)	(171)

Financial expenses include the effect of the fair value measurement of securities at June 30, 2021, equal to a net expense of Euro 48 thousand.

[35] Net exchange rate gains/(losses)

The account included exchange gains of Euro 240 thousand in the first half of 2021, compared to net exchange losses of Euro 165 thousand in the same period of 2020. This item is broken down as follows:

	First half-year 2021	First half-year 2020
Exchange rate gains	2,118	1,760
Exchange rate losses	(1,878)	(1,925)
Net exchange rate gain (losses)	240	(165)

Unrealized foreign exchange gains included under Foreign exchange gains amounted to Euro 1,596 thousand in the first half of 2021 (75.37% of foreign exchange gains for the period) and Euro 471 thousand in the first half of 2020 (27% of foreign exchange gains for the period).

Unrealized foreign exchange losses included under Foreign exchange losses amounted to Euro 694 thousand in the first half of 2021 (36.94% of foreign exchange losses for the period) and Euro 1,002 thousand in the first half of 2020 (52% of foreign exchange losses for the period), respectively.

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

The account shows an amount equal to zero as at June 30, 2021 while at June 30, 2020 showed a gain of Euro 230 thousand resulting from the adjustment of the liability for put options payable to the minority shareholders of TOBA PNC.

[\[37\] 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 June 30, 2021. Reference should be made to note [3] and to note [18] for further information.

[\[38\] Income Taxes](#)

This item amounted to Euro 5,244 thousand in the first half of 2021, compared with Euro 3,006 thousand in H1 2020. Income taxes have been determined taking into account the best estimate of the average annual tax rate expected for the whole year, as per IAS 34. Reference should be made to Note [5] in relation to changes in deferred tax assets and liabilities.

[\[39\] OTHER INFORMATION](#)

[Segment disclosure](#)

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

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

[Non-recurring items](#)

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

Non-recurring income relates to non exceptional income items.

No non-recurring income or expenses were identified in 2020.

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

Incentive plans

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

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

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

[40] 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 Consolidated Financial Statements at December 31, 2020.

30.06.2021	IFRS 9 categories	Book value	Level 1	Level 2	Level 3
Current accounts and post office deposits	Receivables and loans	85,555		85,555	
Cash	Receivables and loans	23		23	
Cash and cash equivalents		85,578		85,578	
Trade receivables	Receivables and loans	56,685			56,685
Financial assets		4,131	4,131		
Total financial assets		146,393	4,131	85,578	56,685
Bank borrowings	Liabilities at amortised cost	30,709		30,709	

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

31.12.2020	IFRS 9 categories	Book value	Level 1	Level 2	Level 3
Current accounts and post office deposits	Receivables and loans	87,431		87,431	
Cash	Receivables and loans	21		21	
Cash and cash equivalents		87,452		87,452	
Trade receivables	Receivables and loans	41,931			41,931
Financial assets		5,146	5,146		
Total financial assets		134,529	5,146	87,452	41,931
Bank borrowings	Liabilities at amortised cost	38,262		38,262	
Payables to other lenders	Liabilities at amortised cost	9,117		9,117	
Non-current financial liabilities		47,380		47,380	
Short-term bank loans	Liabilities at amortised cost	21,305		21,305	
Short-term bank loans	Liabilities at amortised cost	17,833		17,833	
Payables to other lenders	Liabilities at amortised cost	1,741		1,741	
Current financial liabilities		40,879		40,879	
Trade payables	Liabilities at amortised cost	39,912			39,912
Advances from customers	Liabilities at amortised cost	19,421			19,421
Liabilities for commitments and put options	Liabilities at fair value	1,865			1,865
Total financial liabilities		149,457		88,259	61,198

[41] Related party transactions

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

Transaction 30.06.2021	Nature of transactions	Note	Property, Plant and equipment	Current trade receivables	Other Current assets	Trade payables	Current financial liabilities	Non current financial liabilities	Other non current liabilities	Other current liabilities	Revenues	Costs
Pentafin S.p.A.*	Piovan S.p.A. parent company	[11] [24]								3,061		
CMG S.p.A.	Associated company	[8] [21][25] [27]		153		1,010					151	1,152
Penta Auto Feeding India Ltd.	Subsidiary	[8] [21][25] [27]		178							167	
CMG America Inc.	Subsidiary	[11] [27]										
Nicola Piovan	Chairman of the BoD of Piovan S.p.A. and Sole shareholder of Pentafin S.p.A.	[27]	167		31		44	120		55		639
Filippo Zuppichin	Chief executive officer and shareholder of Piovan S.p.A.	[27]							141			412
Membri del CDA (escluso il Presidente e il CEO)	Directors	[27]								25		73
TOTALE			167	331	31	1,010	44	120	141	3,141	318	2,277

Rapporti al 31.12.2020	Nature of transactions	Note	Property, Plant and equipment	Current trade receivables	Other Current assets	Trade payables	Current financial liabilities	Non current financial liabilities	Other current liabilities	Revenues	Costs
Pentafin S.p.A.*	Piovan S.p.A. parent company	[19]							306		
CMG S.p.A.	Associated company	[21][25] [27]				543				1	1,719
Penta Auto Feeding India Ltd.	Subsidiary	[8] [25]		12						12	
Nicola Piovan	Chairman of the BoD of Piovan S.p.A. and Sole shareholder of Pentafin S.p.A.	[11] [19] [25] [27]	195		31				57	8	1,259
Filippo Zuppichin	Chief executive officer and shareholder of Piovan S.p.A.	[27]									644
Membri del CDA (escluso il Presidente e il CEO)	Directors	[19] [27]							65		130
Carsil S.r.l.	Company owned by Nicola Piovan's relatives	[1] [16] [27]	741				160	600			181
TOTALE			935	12	31	543	160	600	428	21	3,933

Commitments and risks

At June 30, 2021, the Group provided guarantees to third parties as indicated below:

- Euro 4,185 thousand for guarantees in favor of third parties against advances received for contract work-in-progress;
- Euro 622 thousand for guarantees in favor of third parties of the Parent Company Piovan S.p.A. for commercial activities.

At June 30, 2021, the parent company Piovan S.p.A. provided sureties in favor of credit institutions in the interest of subsidiaries and subject to the control of the parent company for a total of Euro 15.8 million.

Contingent liabilities

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

Remuneration of Directors and Statutory Auditors

Remuneration paid to Directors, Statutory Auditors and Key Managers for the first half of 2021 compared to the previous year are shown below:

	First half-year 2021	First half-year 2020
Directors	1,084	677
Key managers	584	446
Statutory auditors	28	26

Subsequent events after June 30, 2021

For subsequent events that occurred after 30 June 2021, please refer to what has already been illustrated in the Director's Report.

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

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

Company name	Registered office	Country	Currency	Share capital at 30/06/2021	% 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)	Cina	CNY	5,088,441	100.00%	Piovan S.p.A.	Full
Piovan Do Brasil Ltda	Osasco (BRA)	Brasile	BRL	11,947,356	99.99%	Piovan S.p.A.	Full

Company name	Registered office	Country	Currency	Share capital at 30/06/2021	% shareholding	Shares held	Consolidation method
						Shareholder-Partner	
Piovan Mexico S. A.	Queretaro (MX)	Messico	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)	Regno Unito	GBP	25,000	100.00%	Piovan S.p.A.	Full
Piovan Czech Republic s.r.o.	Praga (CZ)	Repubblica Ceca	CZK	200,000	100.00%	Piovan Central Europe GmbH (90%)	Full
						Piovan S.p.A. (10%)	
Piovan France Sas	Chemin du Pognat (F)	Francia	EUR	1,226,800	100.00%	Piovan S.p.A.	Full
Universal Dynamics Inc.	Fredericksburg, Virginia (U.S. A.)	USA	USD	3,500,000	100.00%	Piovan S.p.A.	Full
Piovan GmbH	Garching (D)	Germania	EUR	102,258	100.00%	Piovan S.p.A.	Full
Piovan Canada Ltd	Mississauga - Ontario (CAN)	Canada	CAD	10	100.00%	Piovan S.p.A.	Full
Piovan Asia Pacific Ltd	Bangkok (TH)	Tailandia	THB	8,010,000	100.00% (*)	Piovan S.p.A.	Full
FDM GmbH	Troisdorf (DE)	Germania	EUR	75,000	66.67%	Piovan S.p.A.	Full
Piovan Muhendslik Ltd	Beikoz (TR)	Turchia	TRY	10,000	100.00%	Piovan S.p.A.	Full
Penta S.r.l.	Ferrara (IT)	Italia	EUR	100,000	100.00%	Piovan S.p.A.	Full
Energys S.r.l.	Venezia (IT)	Italia	EUR	10,000	100.00%	Piovan S.p.A.	Full
Piovan Japan Inc.	Kobe (J)	Giappone	JPY	6,000,000	100.00%	Piovan S.p.A.	Full
Piovan Gulf FZE	Dubai (UAE)	Emirati Arabi	AED	1,000,000	100.00%	Piovan S.p.A.	Full
Aquatech S.r.l.	Venezia (IT)	Italia	EUR	40,000	100.00%	Piovan S.p.A.	Full
Piovan Vietnam Company Ltd	Mai Chi Tho (Vietnam)	Vietnam	VND	1,136,500,000	100.00%	Piovan S.p.A.	Full
Progema S.r.l.	San Felice sul Panaro (MO)	Italia	EUR	25,000	81.00%	Penta S.r.l.	Full
Piovan Hungary Kft	Budapest	Ungheria	HUF	3,000,000	100.00%	Piovan Central Europe GmbH	Full
Piovan Maroc Sarl. AU	Kenitra	Marocco	MAD	1,000,000	100.00%	Piovan S.p.A.	Full
FEA Process&Technological Plants S.r.l.	Scarnafigi (CN)	Italia	EUR	20,400	51.00%	Piovan S.p.A.	Full
Studio Ponte S.r.l.	Poggio Renatico (FE)	Italia	EUR	10,000	51.00%	Penta S.r.l.	Full
Penta Auto Feeding India Ltd	Navi Mumbai (India)	India	INR	10,000,000	50.00%	Penta S.r.l.	Equity method
Piovan South Est Asia Ltd (in liquidazione)	Bangkok (Tailandia)	Tailandia	THB	9,000,000	100.00%	Piovan S.p.A.	Equity method
CMG America Inc.	Clio	Michigan	USD	70,000	100.00%	Piovan S.p.A.	Equity method
TOBA PNC	Seoul	Corea del Sud	KRW	500,000,000	51.00%	Piovan S.p.A.	Full
Doteco S.p.A.	Modena (IT)	Italia	EUR	1,000,000	100.00%	Piovan S.p.A.	Full
Doteco INC	Dalton, Georgia (U.S.A.)	USA	USD	75,000	100.00%	Doteco S.p.A.	Full
Equity investments in affiliated companies:							
CMG S.p.A.	Budrio (BO)	Italia	EUR	1,250,000	20%	Piovan S.p.A.	Equity method

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

Santa Maria di Sala (Venice), September 8, 2021

On behalf of the Board of Directors

Executive Chairman

Nicola Piovan

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

Santa Maria di Sala, September 8, 2021

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

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

of the administrative and accounting procedures for the drawing up of the Consolidated Half-Year Financial Report for the first half of 2021.

No significant aspect emerged concerning the above.

It is also declared that the Consolidated Half-Year Financial Report at June 30, 2021:

- a) were prepared in accordance with international accounting standards, endorsed by the European Union pursuant to EU regulation No. 1606/2002 of the European Parliament and Council, of July 19, 2002;
- b) correspond to the underlying accounting documents and records;
- c) provide a true and fair view of the financial position, balance sheet and operating results of the issuer and of the companies included in the consolidation.

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

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

The Chief Executive Officer

The Executive Officer for Financial Reporting

Filippo Zuppichin

Elisabetta Floccari

**AUDITORS' REPORT ON THE LIMITED AUDIT OF THE CONDENSED CONSOLIDATED
HALF-YEAR FINANCIAL STATEMENTS AT JUNE 30, 2021**

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

To the Shareholders of
Piovan S.p.A.

Introduction

We have reviewed the accompanying half-yearly condensed consolidated financial statements of Piovan S.p.A. and subsidiaries (the "Piovan Group"), which comprise the consolidated statement of financial position as of June 30, 2021, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the six month period then ended, a summary of significant accounting policies and other explanatory notes. The Directors are responsible for the preparation of the half-yearly condensed consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the half-yearly condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements of Piovan Group as at June 30, 2021 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Barbara Moscardi
Partner

Treviso, Italy
September 8, 2021

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



Consolidated Half-Year Report
at June 30, 2021 of Piovan S.p.A.

PIOVAN S.p.A.

Via delle Industrie 16 – 30036

S. Maria di Sala VE - Italy