



PERIODIC
FINANCIAL
STATEMENTS

at 31 March 2019

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ADMINISTRATIVE AND SUPERVISORY BODIES

Piovan S.p.A. ("the Company" or "the Parent Company") is the parent company of the group of the same name with registered office in Santa Maria di Sala (VE), Via delle Industrie 16. The Administrative and Supervisory Bodies of the Company are as follows.

Board of Directors

In office until the date of the Shareholders' Meeting called to approve the financial statements at 31 December 2020.

NAME AND SURNAME	OFFICE
Nicola Piovan	Executive Chairman
Filippo Zuppichin	Chief Executive Officer
Marco Stevanato	Director
Marco Maria Fumagalli (*) (**)	Independent Director
Lucia Giancaspro (*)	Independent Director
Marco Milani (*)	Independent Director
Chiara Mio (*)	Independent Director
(*) Independent Director pursuant to Art. 147-ter, paragraph 4 of the Consolidated Finance Act and Art. 3 of the Corporate Governance Code.	
(**) Director appointed as Lead Independent Director pursuant to art. 2, paragraph 4 of the Corporate Governance Code.	

Board of Statutory Auditors

In office until the date of the Shareholders' Meeting called to approve the financial statements at 31 December 2020.

NAME AND SURNAME	OFFICE
Carmen Pezzuto	Chairman
Luca Bassan	Statutory auditor
Patrizia Santonocito	Statutory auditor
Kristian Sartor	Alternate auditor
Stefania Targa	Alternate auditor

Control, Risk and Sustainability Committee

NAME AND SURNAME	
Chiara Mio	Chairman
Marco Maria Fumagalli	
Marco Milani	

Appointments and Remuneration Committee

NAME AND SURNAME	
Lucia Giancaspro	Chairman
Marco Maria Fumagalli	
Chiara Mio	

Related Parties Committee

NAME AND SURNAME	
Marco Maria Fumagalli	Chairman
Lucia Giancaspro	
Marco Milani	

Manager responsible for preparing the company's financial reports

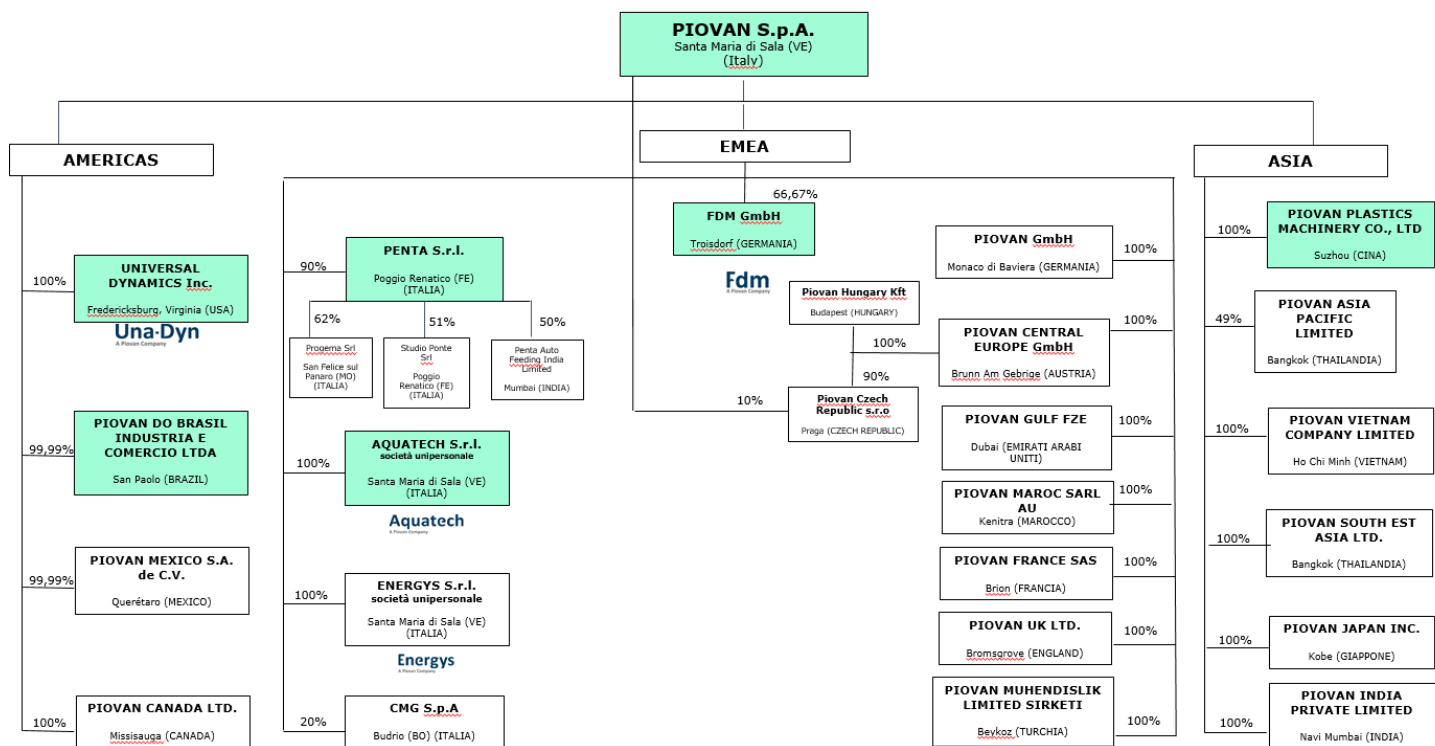
Luca Sabadin

Independent auditing firm

In office until the date of the Shareholders' Meeting called to approve the financial statements at 31 December 2026.

Deloitte & Touche S.p.A.

GROUP STRUCTURE AT 31 MARCH 2019



OPERATING PERFORMANCE

General performance

The development of the world economy continues to benefit in part from favourable monetary policies. However, financial conditions are less favourable, especially for some emerging economies, and the growth of world trade is also slowing down due to certain import duty policies, particularly in the mutual relationship between China and the United States.

Recent economic indicators and the latest results of cyclical surveys indicate in particular in the euro area that real GDP growth unexpectedly remained modest in the fourth quarter of 2018 and recent indicators point to activity levels that are substantially below expectations also in the first half of 2019. In addition, more persistent adverse factors point to a slight weakening in economic activity compared to previous assessments based on an analysis published by the ECB in March 2019.

The ECB's macroeconomic projections for the euro area forecast an annual real GDP growth of 1.1% in 2019, 1.6% in 2020 and 1.5% in 2021.

Persistent concerns about global trade policies, no-deal Brexit and a marked reduction in the rate of expansion in China seem to have had a more negative impact on the climate of business confidence in different countries. In general, however, business investments in the euro area are considered to still be supported by a number of favourable underlying factors: the degree of production capacity remains above the long-term average and the lack of equipment is reported as limiting output by a large share of businesses in the manufacturing sector; financing conditions should still be favourable, although gradually tighter over the projection horizon and businesses could increase investments to compensate for labour supply constraints.

In the United States, the support provided by fiscal stimulus measures is likely to peak in 2019 and it seems likely that there will be a gradual normalisation of monetary policy. In China, the orderly transition to a lower growth path less dependent on investments and exports should continue. Finally, in several emerging countries that are or have recently been in a severe recession, the economy is expected to recover. This is especially true for Argentina, Brazil and Turkey. Consequently, it is assumed that the pace of expansion of global activity (excluding the euro area) is expected to fall to 3.5% in 2019, before rising slightly to 3.6% in 2020-2021.

Piovan has an organizational structure with subsidiaries with production sites in different continents, as well as numerous subsidiaries that provide technical and commercial assistance of matching quality in all areas of the world. This constitutes an advantage for minimizing risks and seizing opportunities.

In the first three months of 2019, the Piovan Group recorded further growth in its results, improving its performance compared to the first three months of the previous year.

Group economic performance

(amounts in €'000)	Quarter ended 31st March											
	2019			% on total revenues and other income		2018			% on total revenues and other income		2019 vs. 2018	%
	Total	Recurring	Non- recurring *	% on Total	% on Recurring	Total	Recurring	Non- recurring *	% on Total	% on Recurring	Changes on recurring	
Revenue	57,025	57,025		98.3%	98.3%	50,689	50,689		98.7%	98.7%	6,336	12.5%
Other revenue and income	969	969		1.7%	1.7%	680	680		1.3%	1.3%	288	42.4%
TOTAL REVENUE AND OTHER INCOME	57,994	57,994		100.0%	100.0%	51,370	51,370	0	100.0%	100.0%	6,624	12.9%
EBITDA	6,501	6,501		11.2%	11.2%	6,136	6,136	0	11.9%	11.9%	365	5.9%
OPERATING PROFIT	5,227	5,227		9.0%	9.0%	5,332	5,332	0	10.4%	10.4%	(105)	(2.0%)
PROFIT BEFORE TAXES	5,348			9.2%		4,728			9.2%			
Taxes	1,629			2.8%		1,544			3.0%			
NET PROFIT	3,719			6.4%		3,184			6.2%			
Attributable to:												
Owners of the parent	3,687			6.4%		3,156			6.1%			
Non-controlling interests	32			0.1%		28			0.1%			
Basic earnings per share	0.07					0.06						
Diluted earnings per share	0.07					0.06						

* The effects of non-recurring items are considered only up to the Operating Profit; no non-recurring items are recorded in the periods under comparison.

In the first three months of 2019, **total revenue and other income** of the Piovan Group amounted to €57,994 thousand, up from €51,370 thousand in the first three months of 2018 (+12.9%).

Revenue of the Piovan Group alone amounted to €57,025 thousand, up from €50,689 thousand in the first three months of 2018 (+12.5%).

The **gross operating margin (EBITDA)** amounted to €6,501 thousand, an increase compared to €6,136 thousand in the same period of the previous year (+5.9%).

The value of EBITDA (referring to the recurring data, which is the same as the total data) as a percentage of total revenue and other income was 11.2%, slightly down compared to the 11.9% of the same period of the previous year. The impact of the application of IFRS 16 on

the accounting of rental contracts and hires benefited marginally the 2019 results by €276 thousand at EBITDA level.

Operating profit amounted to €5,227 thousand, down slightly from €5,332 thousand in the same period of the previous year (-2%).

The value of the operating profit (referring to the Recurring data, which is the same as the total data) as a percentage of total revenue and other income is equal to 9.0% compared to 10.4% in the same period of the previous year. The impact of the application of IFRS 16 on the accounting of rental contracts and hires resulted in a higher net charge in 2019 of €38 thousand at EBIT level.

Net profit for the period amounted to €3,719 thousand, up from €3,183 thousand in the same period of the previous year. The ratio between the net profit and the total amount of revenue and other income is 6.4%.

Earnings per share IS €0.07 at 31 March 2019 compared to €0.06 at the end of the same period of the previous year.

No non-recurring income or costs were recorded **in the first three months of 2019 and in the first three months of 2018.**

It should be noted that some financial information in this report contains intermediate profitability indicators, including the gross operating margin (EBITDA). This indicator is considered by management to be an important parameter for monitoring and evaluating the Group's operating performance as it is not affected by the effects of the various methods of determining taxable income, by the amount and characteristics of the capital employed, as well as by depreciation policies. It should be noted, however, that this indicator is not identified as an accounting measure by IFRS, therefore the criterion for determining it may not be homogeneous with that indicated by other groups or companies.

Group's net financial position

€'000	31.03.2019	31.12.2018	31.03.2018
A. Cash	26	29	25
B. Current accounts and post office deposits	30,980	39,084	35,375
C. Liquidity (A+B)	31,006	39,113	35,400
D. Current financial assets	6,250	-	-
E. Current bank loans and borrowings	(17,882)	(12,995)	(10,018)
F. Current portion of non-current debt	(5,996)	(5,994)	(6,077)
G. Other current financial liabilities	(320)	(280)	(412)
H. Current financial debt (E+F+G)	(24,198)	(19,269)	(16,508)
I. Net current financial debt (H+C+D)	13,057	19,844	18,892
J. Non-current bank loans and borrowings	(9,244)	(10,760)	(15,180)
K. Bonds issued	-	-	(2,500)
L. Other non-current financial liabilities	(471)	(609)	(663)
M. Non-current financial debt (J+K+L)	(9,715)	(11,368)	(18,344)
Net financial position (I+M) before IFRS 16	3,342	8,476	548
€'000	31.03.2019	31.12.2018*	31.03.2018
IFRS16 - Lease - impact	(5,671)	(5,866)	n.a.
Current portion	(1,002)	(1,116)	n.a.
Non-current portion	(4,669)	(4,750)	n.a.
N. Net financial position	(2,329)	2,610	n.a.

*we point out that the impact of IFRS 16 as at 31.12.2018 has been shown for comparative purposes only, as it was applied from 01/01/2019 as provided for by the "Modified Retrospective Method", chosen by the company as the method of first application, on the basis of the provisions of IFRS 16 itself.

The Group's net financial position (which is analysed before the application of IFRS 16 for greater comparative clarity with the end of December 2018 and the end of March 2018) at the end of the period was positive for €3,342 thousand compared to €8,476 thousand at the end of December 2018 with a net cash consumption of €5,134 thousand.

Compared to the end of March 2018, there has been an improvement and net cash generation of €2,794 thousand, despite significant non-recurring investments and non-recurring costs (mainly related to the listing process on the stock exchange and the transfer of the North American headquarters in the USA and the expansion of production capacity also in Italy at the parent company's headquarters) and dividends distributed in the last nine months of 2018 and non-recurring investments made in the first three months of 2019.

It should be noted that in the period from the beginning of January 2019 non-recurring investments were made for the development of production capacity and technological improvement for €1.7 million.

The net financial position of the Group (analysed also considering the values deriving from the application of IFRS 16 at the end of December 2018 and at the end of March 2019) at the end of March 2019 was negative by €2,329 thousand compared to a positive value of €2,610 thousand at the end of December 2018.

Investments

The total **investments** in the period in 2019 amounted to €2.1 million, of which non-recurring €1.7 million related to the increase in greater production capacity at the Group's headquarters.

Revenue

Revenue is broken down by market as follows:

	First quarter 2019	First quarter 2018	Change	%
Revenue from Plastic Systems	46,947	40,196	6,751	16.8%
Revenue from Food Systems	3,611	4,695	(1,085)	-23.1%
Revenue from Service & Spare parts	6,467	5,798	669	11.5%
Revenue	57,025	50,689	6,336	12.5%

With regard to revenue trends broken down by market:

- in the first three months of 2019, the Plastic Systems market recorded a 16.8% increase in revenues compared to the previous period, confirming the leadership position held by the Group in this market with satisfactory growth, especially in Asia and North America.
- in the first three months of 2019, the Food Systems market recorded revenues of €3,611 thousand, down with respect to the same quarter of the previous year, having had to dedicate production capacity of the subsidiary Penta S.r.l. to the production of systems for the plastic powders area.

The Food Systems market, which includes also system production of industrial uses other than plastic powders, is developing, benefiting from the same strategy already implemented in the Plastic Systems market.

- the Services and Spare Parts market grew by 11.5% in the first three months of 2019 compared with the same period of the previous year.

A breakdown of revenues by geographical area is as follows:

	First quarter 2019	First quarter 2018	Change	%
EMEA	34,131	31,922	2,209	6.9%
ASIA	8,252	6,271	1,981	31.6%
NORTH AMERICA	12,016	10,192	1,823	17.9%
SOUTH AMERICA	2,626	2,304	322	14.0%
Revenue	57,025	50,689	6,336	12.5%

There was significant growth in the Asian markets. It should be noted that EMEA revenues include the portion of revenues generated in Italy, which amounted to €9,714 thousand in

the first three months of 2019 and to €8,934 thousand in the same period of the previous year. Growth in Italy during the period was 8.7%.

In addition, at constant exchange rates in 2018, revenues benefited by €0.8 million with a percentage value of 1.5%. In particular, North America would show a reduction in revenues.

Consolidated equity and financial position

The following is a summary of the equity and financial structure of the Piovan Group at 31 March 2019:

Net non-current assets

Over the last two years, the Group has undertaken a project to expand production and improve technology at its US plant and at the Italian headquarters. The project was completed in 2018 in the US plant and is expected be completed in the Italian headquarters by the end of 2019. The non-recurring investment made in 2019 to increase production capacity amounted to €1,721 thousand.

<i>Net non-current assets (amounts in €'000)</i>	At 31 March 2019	At 31 December 2018
Property, plant and equipment	41,578	34,531
<i>of which Right of Use (IFRS 16 - Lease)</i>	5,552	-
Intangible assets	6,128	6,007
Equity investments	362	270
Net non-current assets	48,068	40,808

In applying the new accounting standard IFRS 16 (Lease) at the transition date of 1 January 2019, and having chosen to adopt the "*Modified Retrospective Method*", the Group has recorded a right of use on tangible assets of € 5,886 thousand, i.e. equal to the value of the financial liability at the transition date, as described in the annual financial report at 31 December 31, 2018, to which reference should be made. This "right of use" was amortised in the first quarter of 2019, on the basis of the duration of each individual reference contract, for a value of €314 thousand and is therefore equal to €5,552 thousand as at 31 March 2019.

Moreover, in the first quarter of 2019, a new commercial and distribution company, Piovan Maroc Sarl, was also set up, with headquarters in Kenitra, Morocco, in order to control the North African market. Piovan Maroc Sarl, a 100% subsidiary, was not consolidated as the effects would not have been relevant, the constitution has thus increased the value of the equity investments.

Net trade capital and net working capital

The following is a summary of the equity and financial structure of the Piovan Group at the end of March 2019:

<i>Net working capital (amounts in €'000)</i>	At 31 March 2019	At 31 December 2018
Current trade receivables	51,881	50,656
Inventories	28,895	28,049
Contract assets for work in progress	4,300	3,654
Trade payables	(32,493)	(39,937)
Advances from customers	(15,711)	(12,577)
Contract liabilities for work in progress	(1,656)	(2,703)
Net trade capital	35,216	27,142
Tax receivables	3,949	3,455
Other current assets	4,955	4,192
Tax liabilities and social security contributions	(5,547)	(6,422)
Other current liabilities	(14,719)	(12,241)
Net working capital	23,854	16,126

Net trade capital and net working capital grew if compared with December 31, 2018 as a result of trend in activities during the various months of the year.

CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(€'000)

ASSETS	Notes	31.03.2019	31.12.2018
NON-CURRENT ASSETS			
Property, plant and equipment	Note 1	41,578	34,531
Intangible assets	Note 2	6,128	6,007
Equity investments	Note 3	362	270
Other non-current assets	Note 4	374	325
Prepaid taxes	Note 5	4,128	4,663
TOTAL NON-CURRENT ASSETS		52,570	45,796
CURRENT ASSETS			
Inventories	Note 6	28,895	28,049
Contract assets for work in progress	Note 7	4,300	3,654
Current trade receivables	Note 8	51,881	50,656
Current financial assets	Note 9	6,250	
Tax receivables	Note 10	3,949	3,455
Other current assets	Note 11	4,955	4,192
Cash and cash equivalents	Note 12	31,006	39,113
TOTAL CURRENT ASSETS		131,235	129,119
TOTAL ASSETS		183,805	174,915

LIABILITIES AND EQUITY	Notes	31.03.2019	31.12.2018
SHAREHOLDERS' EQUITY			
Share capital	Note 13	6,000	6,000
Legal reserve	Note 13	1,200	1,200
Reserve for treasury shares	Note 13	(2,250)	(2,250)
Currency translation reserve	Note 13	(988)	(1,594)
Other Reserves and retained earnings	Note 13	49,601	25,748
Net profit (loss) for the period	Note 13	3,687	23,881
Equity attributable to the owners of the parent		57,251	52,985
Equity attributable to non-controlling interests	Note 15	3,822	3,791
TOTAL EQUITY		61,074	56,775
NON-CURRENT LIABILITIES			
Medium/long-term loans	Note 16	9,244	10,760
Non-current financial liabilities	Note 16	5,140	609
Liabilities for defined benefit plans for employees	Note 17	3,918	3,887
Provision for risks and charges	Note 18	2,946	2,925
Non current liabilities for options granted to minority shareholders	Note 19	3,185	3,185
Other non-current liabilities	Note 20	111	121
Deferred tax liabilities	Note 5	2,861	3,505
TOTAL NON-CURRENT LIABILITIES		27,406	24,991
CURRENT LIABILITIES			
Current portion of medium/long-term loans	Note 16	5,996	5,994
Current bank loans and borrowings	Note 16	17,882	12,995
Current financial liabilities	Note 16	1,322	280
Trade payables	Note 21	32,493	39,937
Advances from customers	Note 22	15,711	12,577
Contract liabilities for work in progress	Note 7	1,656	2,703
Current liabilities for options granted to non-controlling investors	Note 19	-	-
Tax liabilities and social security contributions	Note 23	5,547	6,422
Other current liabilities	Note 24	14,719	12,241
TOTAL CURRENT LIABILITIES		95,326	93,148
TOTAL LIABILITIES HELD FOR SALE			
TOTAL LIABILITIES		122,732	118,139
TOTAL LIABILITIES AND EQUITY		183,805	174,915

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(€'000)

Profit and Loss Account	Notes	31.03.2019	31.03.2018
Revenue	Note 25	57,025	50,689
Other revenue and income	Note 26	969	680
TOTAL REVENUE AND OTHER INCOME		57,994	51,370
Costs of raw materials, components and goods and changes in inventories	Note 27	22,870	19,627
Services costs	Note 28	12,652	10,646
Costs for use of third-party assets	Note 29	426	603
Personnel expenses	Note 30	14,868	13,559
Other operating costs	Note 31	676	798
Provisions for risks and charges	Note 32	225	107
Amortisation/depreciation and write-downs	Note 33	1,049	697
TOTAL COSTS		52,767	46,038
OPERATING PROFIT		5,227	5,332
Financial income	Note 34	175	85
Financial expenses	Note 34	(264)	(145)
Foreign currency conversion gains (losses)	Note 35	211	(418)
Gains (losses) on liabilities for option granted to non controlling investors	Note 36	-	-
Profit (loss) from equity investments carried at equity	Note 37		(126)
PROFIT BEFORE TAXES		5,348	4,727
Taxes	Note 38	1,629	1,544
NET PROFIT		3,719	3,183
ATTRIBUTABLE TO:			
Owners of the parent		3,687	3,156
Non-controlling interests		32	28
Earnings per share			
Basic earnings per share (in euros)	Note 14	0.07	0.06

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(€'000)

Statement of comprehensive Income	31.03.2019	31.03.2018
Profit for the period	3,719	3,184
Items that may be subsequently reclassified to the statement of profit or loss:		
- Exchange rate differences	606	(175)
<i>Items that may not be subsequently reclassified to the statement of profit and loss:</i>		
- Actuarial gains (losses) on employee benefits net of tax effect	(17)	(36)
- Discounting of provision for additional client expenses	(10)	1
Total profit for the year	4,299	(2,974)
attributable to:		
- Parent company shareholders	4,266	2,946
- Minority interests	32	28

CONSOLIDATED STATEMENT OF CASH FLOWS
(€'000)

Cash flow statement	31.03.2019	31.03.2018
OPERATING ACTIVITIES		
Profit (loss) for the year	3,719	3,183
<i>Adjustments for:</i>	-	-
<i>Amortisation/depreciation and write-downs</i>	1,049	697
<i>Provisions</i>	381	561
<i>Change in provisions for risks and charges and employee benefits liabilities</i>	26	(13)
<i>- (Gains) losses on sale of fixed assets</i>	(2)	(13)
<i>Investment equity valuation</i>	-	126
<i>Other non-monetary changes</i>	(18)	75
<i>Taxes</i>	1,629	1,544
Operating cash flow before changes in working capital	6,784	6,161
(Increase)/decrease in trade receivables	(807)	9,197
(Increase) or decrease in inventories	(613)	(8,362)
(Increase)/decrease in other current assets	1,425	(6,599)
Increase/(decrease) in trade payables	(8,445)	102
Increase (decrease) in advances from customers	3,134	3,762
Increase (decrease) in other current liabilities	4	(3,399)
(Increase)/decrease in non-current assets	680	137
Increase/(decrease) in non-current liabilities	(610)	101
Other movements of PN	(0)	0
Taxes paid	(1,490)	(1,134)
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	(2,788)	(35)
INVESTING ACTIVITIES		-
Investments (disinvestments) in tangible assets	(1,955)	(1,365)
Investments (disinvestments) in intangible assets	122	(101)
Investments (disinvestments) in financial assets	(6,250)	-
Disinvestments (Investments) in Equity Investments	(92)	(24)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	(8,418)	(1,490)
FINANCING ACTIVITIES		-
Issuance of bank loans	-	-
Repayment of bank loans	(1,516)	(1,519)
Change in current bank liabilities	4,889	768
Increase (decrease) in other financial liabilities	(293)	(135)
Purchase of minority interests in subsidiaries	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES (C)	3,080	(885)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	(8,126)	(2,410)
EFFECT OF EXCHANGE RATE CHANGES ON BALANCE OF CASH AND CASH EQUIVALENTS	18	(75)
CASH AND CASH EQUIVALENTS AT OPENING OF PERIOD (E)	39,113	37,885
CASH AND CASH EQUIVALENTS AT CLOSE OF PERIOD (G=D+E+F)	31,006	35,400

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(€'000)

	Share capital	Legal reserve	Reserve for treasury shares	Currency translation reserve	Other Reserves and retained earnings	Fiscal year result of parent company shareholders	Shareholders' equity attributable to parent company shareholders	Equity attributable to non-controlling interests	TOTAL EQUITY
Balance at 01.01.2018	6,000	1,200	(7,641)	(1,607)	14,312	19,553	31,817	4,866	36,683
First time adoption of IFRS 9		-	-	-	(144)	-	(144)	-	(144)
Distribution of dividends									
Allocation of prior year profit		-	-	-	19,553	(19,553)	-	-	-
Change in minority interests									
Total comprehensive income		-	-	(175)	(35)	3,156	2,946	28	(2,974)
Balance at 31.03.2018	6,000	1,200	(7,641)	(1,782)	33,686	3,156	34,619	4,894	39,513

	Share capital	Legal reserve	Reserve for treasury shares	Currency translation reserve	Other Reserves and retained earnings	Fiscal year result of parent company shareholders	Shareholders' equity attributable to parent company shareholders	Equity attributable to non-controlling interests	TOTAL EQUITY
Balance at 01.01.2019	6,000	1,200	(2,250)	(1,594)	25,748	23,881	52,985	3,791	56,775
Distribution of dividends		-	-	-					
Allocation of prior year profit		-	-	-	23,881	(23,881)	-	-	-
Change in minority interests		-	-	-					-
Total comprehensive income				606	(28)	3,687	4,266	32	4,299
Balance at 31.03.2019	6,000	1,200	(2,250)	(988)	49,601	3,687	57,251	3,822	61,074

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

The Piovan Group is one of the world's leaders in designing and producing plant and control systems for the automation of all stages of the production cycle of plastic materials. In particular, the Group produces automation systems for the storage, transport and processing of plastic materials (the "Plastic Systems") and automation systems for the storage and transport of food powders (the "Food Systems"), provides technical support and sale of spare parts and services (the "Service & Spare parts").

The plants and systems developed, produced and sold by the Group enable all various stages of the production and transformation process of plastic materials to be automated and made more efficient. The technical solutions offered by the Group include, for both markets of Plastic Systems and Food Systems: (i) design of machinery and engineering solutions; (ii) production of plant and systems; and (iii) installation at the customer's production sites. Furthermore, the Group provides its customers with specific technical support from the preliminary design stage up to the installation and roll-out of the plant and machinery, ensuring ongoing support in order to guarantee optimal functioning of the products installed. The Group has 7 production facilities and 24 sales branches that cover all the main markets.

These periodic financial statements at 31 March 2019 (hereinafter "Periodic Financial Statements at 31 March 2019") were approved by the Board of Directors on 14 May 2019 and have not been audited.

As part of the application for admission of its ordinary shares to the listing on the Mercato Telematico Azionario (the Online Stock Exchange) organized and managed by the Italian Stock Exchange (Borsa Italiana S.p.A.), the Company has prepared its first consolidated financial statements as at 31 December 2017 for inclusion in the Prospectus. These financial statements represented the first IFRS consolidated financial statements of Piovan S.p.A., in which IFRS 1 was therefore applied. For the purposes of inclusion in the Prospectus, Piovan S.p.A. has also prepared the Half-Year Condensed Consolidated Financial Statements as at 30 June 2018.

On 5 October 2018, the Company received the authorisation by Consob [Italian Securities and Exchange Commission] to list its shares on the STAR segment of the Online Stock Exchange (Mercato Telematico Azionario). The trading of the shares on this market started on 19 October 2018.

Piovan S.p.A., as a company listed on the STAR segment of the MTA market managed by Borsa Italiana, is subject to the provisions of Article 2.2.3 of the Stock Exchange Regulations. On the basis of these regulations, the Company has prepared the Periodic Financial Statements as at 31 March 2019, which it makes available to the public.

These periodic financial statements as at 31 March 2019 have been prepared on the basis of the valuation criteria set out in the International Financial Reporting Standards (IAS/IFRS) approved by the European Union. For the purposes of preparing the periodic financial statements as at 31 March 2019, the provisions of IAS 34 ("Interim Financial Reporting")

concerning interim financial reporting have not been adopted, in consideration of the fact that the Group applies this standard to half-yearly financial reports and not to quarterly reports.

The accounting principles and criteria adopted for the preparation of the periodic financial statements at 31 March 2019 are consistent with those used for the preparation of the consolidated financial statements at 31 December 2018 to which reference should be made.

The periodic financial statements at 31 March 2019 include the economic results of the parent company and its subsidiaries. These notes were prepared by the Board of Directors on the basis of the accounting and consolidation entries updated to 31 March 2019.

For comparative purposes, the condensed consolidated financial statements present as comparatives the consolidated statement of financial position of the consolidated financial statements at 31 December 2018, the consolidated statement of profit and loss, the consolidated statement of comprehensive income and the consolidated statement of cash flow as at 31 March 2018.

DRAFTING CRITERIA

The Periodic Financial Statements at 31 March 2019 include the consolidated statement of financial position, the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flow and these explanatory notes for the period from 1 January 2019 to 31 March 2019. The periodic financial statements at 31 March 2019 have been prepared on the basis of the historical cost principle, with the exception of derivative financial instruments which have been recognised at fair value as required by IFRS 9 - "Financial instruments", and on a going concern basis. The Group deemed that it could adopt a going concern assumption pursuant to IAS 1.25/26 given its strong market position, very satisfactory profits and solid financial structure.

The periodic financial statements as at 31 March 2019 have been prepared in thousands of euros, which is the "functional" and "presentation" currency of the Piovani Group in accordance with the provisions of IAS 21 "Foreign currency transactions". There may be rounding differences when items are added together as the individual items are calculated in euros.

Preparation of the periodic financial statements at 31 March 2019 in accordance with IAS/IFRS requires management to make estimates and assumptions that affect the amounts presented therein and in the notes. Actual results may differ from these estimates. Reference should be made to the consolidated financial statements at 31 December 2018 for details of the main items that require the use of estimates and assumptions.

Basis of Consolidation

The periodic financial statements as at 31 March 2019 of the Piovani Group include the interim financial statements as at 31 March 2019 of the Parent Company and those of the Italian and foreign subsidiaries specifically prepared.

Subsidiaries are companies in which the Piovani Group exercises control, as defined by IFRS 10 - "Consolidated Financial Statements".

The control exists when the Group has the power, directly or indirectly, to determine the financial and operating policies of a company in order to obtain benefits from its activities. The financial statements of the subsidiaries are included in the consolidated financial statements starting from the date on which control is assumed until the moment in which this control ceases to exist and with reference to the associated companies, from the date on which significant influence is assumed up to the date in which it fails.

At the end of the Notes to the financial statements, the item Other information [40] includes details of the companies included in the scope of consolidation at 31 March 2019.

The consolidation criteria adopted in the preparation of these periodic financial statements as at 31 March 2019 are the same as those adopted and reported in the Annual Financial Report as at 31 December 2018.

The Company has decided not to proceed with the line-by-line consolidation of some equity investments in subsidiaries as they are considered not significant either individually or as a whole and as this accounting has not led to significant effects for the purposes of the correct representation of the equity, economic and financial situation of the Group.

The subsidiaries excluded from consolidation are:

Company	% of ownership as at 31.12.2018	% of ownership as at 31.03.2019
Studio Ponte S.r.l. (*)	51%	51%
Piovan South East Asia Ltd. (**)	100%	100%
Piovan Maroc Sarl (***)		100%

(*) the indicated quota is representative of the % held by the subsidiary Penta S.r.l..

(**) company in liquidation

(***) company set-up during first quarter of 2019

Summary of the standards applied

In preparing these periodic financial statements as at 31 March 2019, the same accounting standards and preparation criteria were applied as those adopted in preparing the Annual Financial Report as at 31 December 2018, to which reference should be made.

Furthermore, with reference to the accounting principles applicable from January 1, 2019, and indicated in the Annual Financial Report at December 31, 2018, no significant impacts were found, except for what is explained below with reference to the application of IFRS 16.

IFRS 16 has replaced IAS 17 - Leases and the interpretations of IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease, which became effective on 1 January 2019.

This new standard provides a new definition of "lease" and introduces a criterion based on the control (*right of use*) of an asset to distinguish leasing contracts from contracts for the supply of services, identifying as discriminating:

- the identification of the asset,
- the right to replace it,

- the right to obtain substantially all the economic benefits arising from the use of the asset, and
- the right to direct the use of the asset which is the subject of the contract.

IFRS 16 introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The standard does not provide for significant changes for lessors. Piovan is not a lessor.

The evaluation process undertaken by the Piovan Group involved, in the first phase, involved the census of the contracts falling within the definition of the principle and consisted in the analysis of the same in the light of the *requirements* of the principle itself.

Finally, the Group has chosen to adopt the "*Modified Retrospective Method*" approach, recognising the cumulative effect of the application of the standard in equity at 1 January 2019, in accordance with the provisions of paragraphs IFRS 16: C7-C13.

For further details, reference should be made to the detailed description in the consolidated annual financial report as at 31 December 2018.

In particular, the Group has accounted for *leases* previously classified as operating leases:

- a financial liability, equal to the present value of the remaining future payments at the transition date, discounted using an appropriate interest rate for each contract as required by the standard;
- a right of use equal to the value of the financial liability at the transition date, net of any effect deriving from the advance payment and deferred payment with respect to each due date.

The following table shows the estimated impacts of the adoption of IFRS 16 at the transition date:

Assets (amounts in €/000)	Effects at 01/01/2019
Land and buildings	5,297
Plant and machinery	
Industrial and commercial equipment	
Other tangible fixed assets	569
Total	5,866

Liabilities (amounts in €/000)	Effects at 01/01/2019
Non-current financial liabilities	4,750
Current financial liabilities	1,116
Total	5,866

The net effect before taxes in the statement of profit and loss for the quarter ended March 2019 was €68 thousand, broken down as follows:

- lower costs for services of €276 thousand.
- higher depreciation of €314 thousand
- higher financial expenses for €30 thousand

Translation criteria

The main exchange rates (currency for 1 euro) used for the translation of financial statements in currencies other than the euro, for the periods/years ended 31 March 2019, 31 December 2018 and 31 March 2018 (comparative data) are summarised below:

Currencies		Average rate		Closing rate	
		31.03.2018	31.03.2019	31.12.2018	31.03.2019
BRL	Brazilian real	3.9902	4.2768	4.444	4.3865
CAD	Canadian dollar	1.5545	1.5098	1.5605	1.5
CSK	Corona Rep, Czech	24.7337	25.6842	25.724	25.802
CNY	Renminbi	7.8149	7.6619	7.8751	7.5397
GBP	Pound Sterling	0.8834	0.8723	0.89453	0.8583
HUF	Hungarian forint	311.066	317.8774	320.98	321.05
MXN	Mexican peso	23.0362	21.8038	22.4921	21.691
SGD	Singaporean dollar	1.6213	1.5386	1.5591	1.5214
USD	US dollar	1.2295	1.1356	1.145	1.1235
THB	Baht	38.794	35.9063	37.052	35.632
INR	Indian rupee	79.1566	80.073	79.7298	77.719
TRY	Turkish lira	4.691	6.1079	6.0588	6.3446
AED	UAE dirham	4.5152	4.1707	4.205	4.1261
JPY	Yen	133.135	125.0984	125.85	124.45
VND	Dong	27,947.67	26,347.00	26,547.00	26,064.00

Use of estimates

There are no changes in the key sources of estimation uncertainty from those disclosed in the consolidated financial statements at 31 December 2018.

Impairment testing of goodwill

At least once a year, the Group tests goodwill for impairment. It calculates the recoverable amount of the CGUs as the value in use using the discounted cash flow method. The Piovan Group tested goodwill for impairment for the consolidated financial statement at 31 December 2018, and did not identify impairment indicators that require an updated impairment test at 31 March 2019.

INFORMATION ON FINANCIAL RISK AND INSTRUMENTS

The Group's operations expose it to a number of financial risks that can affect its equity and financial position, net result, and cash flows due to the impact of its financial instruments. In particular, the Group is exposed to credit risk, deriving from commercial operations, to

exchange rate risk, relating to operations in areas using currencies other than those of denomination and to interest rate risk, relating to the Group's exposure to variable-rate loans. The periodic financial statements as at 31 March 2019 do not include all information on financial risk management. There have been no changes with reference to what is indicated in the Annual Financial Report as at 31 December 2018 regarding the risks to which the Group is exposed and their management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

[1] PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment amounted to €41,578 thousand at 31 March 2019, compared to €34,531 thousand at 31 December 2018. The following tables provide a breakdown of the item and the changes compared to previous period.

Changes during the period	Land and buildings	Plants and machinery	Industrial and commercial equipment	Other assets	Fixed assets under construction and advances	Total
Balance at 31 December 2018	21,871	3,007	550	3,604	5,498	34,531
including:						
- Historical cost	25,543	10,190	4,247	15,503	5,498	60,982
- Depreciation fund	(3,672)	(7,182)	(3,697)	(11,900)	-	(26,452)
IFRS16 - Lease impact at 01.01.2019	5,297			569		5,866
Changes in 2019						
- Investments		29	99	87	1,721	1,935
- Disposals (Historical Cost)		(25)		(70)		(94)
- Disposals (Accumulated depreciation)	(1)	22	-	66	-	88
- Currency translation difference (Historical cost)	159	66	2	70	-	296
- Currency translation difference (accumulated depreciation)	(1)	(39)	(1)	(29)	-	(69)
- Depreciation	(166)	(146)	(59)	(289)	-	(661)
- Depreciation IFRS16	(275)			(39)		(314)
Balance at 31 March 2019	26,884	2,914	590	3,970	7,219	41,578
including:						
- Historical cost	30,999	10,260	4,347	16,160	7,219	68,985
- Depreciation fund	(4,115)	(7,345)	(3,757)	(12,191)	-	(27,409)

As already described in the annual report, starting from the 2018 financial year, the Group has undertaken a project to expand production and improve technology at its Italian and US plants. In Italy, an enlargement project is being carried out at the Parent Company's headquarters with the aim of constructing two separate buildings with a total surface area of approximately 15,000 m² to be used as a logistical warehouse connected with the current production areas and as a new production plant for the subsidiary Aquatech. The purpose of the enlargement is to increase production efficiency and, above all, to increase production capacity in support of production growth in line with the expected development of turnover in future years. The project in Italy should be completed by 2019. In the USA,

the completion of the new headquarters and the transfer from the old one took place during the second half of 2018.

The investments included in the item *Assets under construction and payments on account* of €1,721 thousand are mainly related to the progress of the expansion project in Italy, which is proceeding in line with the schedule.

As at 31 March 2019, tangible fixed assets were not encumbered by mortgages or liens.

Tangible fixed assets are adequately covered from risks deriving from loss and/or damage to assets by insurance policies taken out with leading agencies.

The Group does not have any financial expenses directly attributable to the acquisition, production or construction of property, plant and equipment.

Finally, in applying the new accounting standard IFRS 16 (Lease) as of 1 January 2019, and having chosen to adopt the "*Modified Retrospective Method*", the Group has recorded a right of use equal to € 5,886 thousand, as described in the annual financial report as of 31 December 2018, to which reference should be made. This "right of use" was amortised in the first quarter of 2019, on the basis of the duration of each individual reference contract, for a value of €314 thousand and is therefore equal to €5,552 as at 31 March 2019.

[2] INTANGIBLE FIXED ASSETS

At 31 March 2019, intangible fixed assets amounted to €6,128 thousand, compared to €6,007 thousand at 31 December 2018. Changes in these assets are shown below:

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 2018	5,427	353	39	110	77	6,007
Changes in 2019						
- Investments		47	77		2	127
- Disposals (Historical Cost)			4			4
- Currency translation difference (Historical cost)	63	5	6	41	0	115
- Currency translation difference (accumulated depreciation)		(4)	(5)	(41)		(50)
- Depreciation		(58)	(14)	(4)		(75)
Balance at 31 March 2019	5,490	343	108	107	79	6,128

The value of goodwill at 31 March 2019 amounted to €5,490 thousand compared to €5,427 thousand at 31 December 2018. The goodwill entered mainly refers to:

- the acquisition of the US subsidiary Universal Dynamics Inc. (the so-called "Unadyn") in 2008;
- the acquisition of the subsidiary Penta S.r.l. at the end of 2014;
- the acquisition of the subsidiary Progema S.r.l. in 2016;
- the acquisition of Energys S.r.l. in 2016.

Goodwill	31.12.2018	Increase	Decrease	Change in currency translation reserve	31.03.2019
UnaDyn	3,271			63	3,334
Penta and Progema	1,872				1,872
Energys	276				276
Other goodwill	8				8
Total	5,427			63	5,490

The Group does not have goodwill that can be deducted for tax purposes. It should be noted that the change in goodwill related to UnaDyn is due to the different USD/Euro exchange rates at each period, therefore such changes are non-cash movements.

[3] EQUITY INVESTMENTS

At 31 March 2019, equity investments amounted to €362 thousand, compared to €270 thousand at 31 December 2018.

Details of equity investments movements are as follows:

Company	Registered office	% Share	Book value at 31.12.2018	Increase/(decrease) in value	Book value at 31.03.2019
CMG S.p.A.	Budrio (BO)	20%	266	-	266
Piovan South Est Asia	Bangkok (Thailand)	100%	-	-	-
Studio Ponte S.r.l.	Poggio Renatico (FE)	51%	-	-	-
Penta Auto Feeding India Ltd	Navi Mumbai (India)	50%	-	-	-
Piovan Maroc Sarl.AU	Kenitra (Morocco)	100%	-	92	92
Other			4		4
Total			270	92	362

The investments in associates and joint ventures shown in the above table were measured at equity and the same measurement method was used for some investments in subsidiaries for which, as indicated in the “Basis of consolidation” paragraph, the directors decided not to consolidate as they are not deemed material, either individually or combined. In the first quarter of 2019, a new commercial and distribution company, Piovan Maroc Sarl, was set up with headquarters in Kenitra, Morocco, in order to better serve the North African market.

It should be noted that the Company holds the option to purchase 45% of the associated company CMG. This option can only have an asset value for the Company, as they are held by the Company and have not been valued in consideration of the fact that the contractual provisions giving the right to exercise, mainly under the control of the Company, are

considered unlikely by management. On the basis of these assumptions, the fair value of these options would have a value tending towards zero.

[4] OTHER NON-CURRENT ASSETS

At 31 March 2019, other non-current assets amounted to €374 thousand compared to €325 thousand at 31 December 2018. They are mainly comprised of guarantee deposits paid by Group companies for various reasons with regard to utilities and property leases for the Group companies' offices.

[5] DEFERRED TAX ASSETS AND LIABILITIES

At 31 March 2019, *deferred tax assets* amounted to €4,128 thousand, compared to €4,663 thousand at 31 December 2018. The Group has recognised advance or deferred on temporary differences between the book value and the tax values.

The item *Deferred tax assets* does not include assets arising from the measurement of tax losses, as the Group has no accrued tax losses.

At 31 March 2019, *deferred tax liabilities* amounted to €2,861 thousand, compared to €3,505 thousand at 31 December, 2018.

The movement in advance and deferred taxes are presented in the next table:

	31.12.2018	Effect on profit and loss account	Other items of the statement of comprehensive income	31.03.2019
Prepaid taxes	4,663	(553)	18	4,128
Deferred tax liabilities	(3,505)	644		(2,861)
Total	1,158	91	18	1,267

[6] INVENTORIES

At 31 March, 2019, these amounted to €28,895 thousand, compared to €28,049 thousand at 31 December, 2018. The detail of the item is as follows

Inventories	31.03.2019	31.12.2018
Raw materials	6,197	4,366
Semi-finished products	10,560	13,562
Finished goods	13,766	12,239
Advances	1,269	611
Obsolescence provision	(2,897)	(2,729)
Inventories	28,895	28,049

In the first quarter of 2019, the balance of inventories increased by €1,014 thousand, gross of allowances for doubtful accounts. The increase, mainly relating to the Raw Materials and Finished goods categories, is linked to the normal performance of the business.

In regards to obsolete or slow-moving inventories, an allowance was recognised for inventory write-downs to cover the difference between the cost and estimated realisable value of obsolete raw materials, semi-finished products and finished goods. The accrual to the condensed consolidated statement of profit or loss was recognized in the caption *Costs of raw materials, components and goods and changes in inventories*.

[7] CONTRACT ASSETS AND LIABILITIES FOR WORK IN PROGRESS

At 31 March 2019, the *Contract assets for work in progress* item amounted to €4,300 thousand compared to €3,654 thousand at 31 December 2018.

Contract liabilities for work in progress amounted to €1,656 thousand at 31 March, 2019, compared to €2,703 thousand at 31 December, 2018. In particular, these are the contract work in progress related to the subsidiary Penta S.r.l..

Below is detailed the amount due from customers net of the related advance payment received (included in the caption *Contract assets work in progress*), and the amount due to customers net of the related advance payment received (included in the caption *Contract liabilities for work in progress*):

<i>Contract assets for work in progress</i>	31.03.2019	31.12.2018
Valuation of contracts in progress (costs incurred added to profits recognised)	14,170	13,762
Progress payments received	9,870	(10,108)
Amounts due from customers	4,300	3,654

<i>Contract liabilities for work in progress</i>	31.03.2019	31.12.2018
Valuation of contracts in progress (costs incurred added to profits recognised)	1,244	1,210
Progress payments received	2,900	(3,913)
Amounts due to customers	(1,656)	(2,703)

The increase in *Contract assets for work in progress* compared to 31 December 2018 is due, on the one hand, to the higher number of contracts in progress and, on the other hand, to the fact that the progress of individual contracts is greater than the value of advances from customers provided for in the contract.

The significant reduction in *Contract liabilities for work in progress* compared to 31 December 2018 is determined by a different trend in the invoicing of progress payments to customers and the stage of completion of individual contracts.

Revenue from contract work amounted to €6,802 thousand in the first quarter of 2019 and relates to the subsidiary Penta S.r.l..

[8] TRADE RECEIVABLES

At 31 March 2019, trade receivables amounted to €51,881 thousand, compared to €50,656 thousand at 31 December 2018. The item that shows trade receivables is as follows:

<i>Trade receivables</i>	31.03.2019	31.12.2018
Gross trade receivables	55,611	54,136
Provisions for doubtful debts	(3,730)	(3,480)
Trade receivables	51,881	50,656

Impairment losses are recognised, taking into account past due receivables from customers with financial difficulties, receivables for which legal action has commenced and the expected receivable losses.

The value of receivables as at 31 March 2019, gross of the provision, increased slightly compared to the end of the 2018 financial year and much less than the increase in total turnover. In fact, the increase in gross receivables is equal to 2.7% with a growth in turnover of 12.5%.

The bad debt provision comprises management estimates on credit losses on receivables. Management estimates the allowance on the basis of the expected losses, considering past experience for similar receivables, current and historical past due amounts, losses and collections, the careful monitoring of credit quality and projections about the economy and market conditions. The annual provision is included in the *Other operating costs* item.

Changes in the provision for write-down of receivables are reported in the following table:

<i>Provisions for doubtful debts</i>	
31.12.2018	3,480
Provision	258
Utilisation	(42)
Foreign currency translation differences	34
31.03.2019	3,730

[9] CURRENT FINANCIAL ASSETS

During the first quarter of 2019, the parent company Piovan S.p.A. invested approximately €6,283 thousand in securities in order to use its available financial resources. These instruments were measured at *fair value* at 31 March 2019 as required by IFRS 9 and were classified as current financial assets in line with the aim of investing part of the available liquidity in low-risk instruments that can be readily disposed of.

The total effect of the *fair value* valuation in the first quarter of 2019 was a charge of €137 thousand. The securities also accrued interest income for €104 thousand. As a result of changes during the quarter, the value of securities at 31 March 2019 was 6,250 thousand euro.

[10] TAX RECEIVABLES

At 31 March 2019, *tax receivables* amounted to €3,949 thousand, compared to €3,455 thousand at 31 December 2018.

The amount of VAT receivables is mainly attributable to the parent company Piovan S.p.A. and the subsidiary Penta S.r.l.. *Other current tax assets* include IRES and IRAP receivables recorded by the subsidiary Penta S.r.l. for the years 2016 and 2018, and a tax grant for research and development expenses of Piovan S.p.A..

<i>Tax receivables</i>	31.03.2019	31.12.2018
VAT receivables	2,458	2,776
Other tax credits	1,491	679
Tax receivables	3,949	3,455

[11] OTHER CURRENT ASSETS

At 31 March 2019, *other current assets* amounted to €4,955 thousand, compared to €4,192 thousand at 31 December 2018. The item can be broken down as follows:

<i>Other current assets</i>	31.03.2019	31.12.2018
Advances to suppliers	1,778	1,197
Receivables from parent companies	1,316	1,493
Accruals and deferrals	993	769
Other receivables	868	733
Other current assets	4,955	4,192

The item *Receivables from parent companies* includes receivables from the parent company Pentafin S.p.A., regarding corporate income tax (IRES) refund applications, submitted by the tax consolidating entity on behalf of Piovan S.p.A., with reference to the failure to deduct Regional tax on production activities (IRAP) for the years 2007-2011 (Legislative Decree 201 of 2011) and 2005-2007 (Legislative Decree 85 in 2008) for €786 thousand. This item also includes the receivable from the parent company Pentafin S.p.A. relating to the tax consolidation with some Italian subsidiaries.

[12] CASH AND CASH EQUIVALENTS

At 31 March 2019, these amounted to €31,006 thousand, compared to €39,113 thousand at 31 December 2018.

Cash and cash equivalents	31.03.2019	31.12.2018
Current accounts and post office deposits	27,080	39,084
Cash equivalent	3,900	-
Cash	26	29
Cash and cash equivalents	31,006	39,113

Reference should be made to the *Cash flow statement* for details of changes in the Group's cash and cash equivalents. The change in *cash and cash equivalents* compared to 31 December 2018 is mainly attributable to investments in securities for approximately €6.2 million, as better described in note [9].

In addition, during the first quarter of 2019, the parent company Piovan S.p.A. signed a "time deposit" contract for a value of €3.9 million, with the possibility of prompt disposal.

Current accounts and post office deposits are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant currency risk.

As at 31 March 2019, 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	31.03.2019	31.12.2018
Share capital	6,000	6,000
Legal reserve	1,200	1,200
Reserve for treasury shares	(2,250)	(2,250)
Currency translation reserve	(988)	(1,594)
Other Reserves and retained earnings	49,601	25,748
Result of the period	3,687	23,881
Equity attributable to the owners of the parent	57,251	52,985

The **share capital** of the Company approved, subscribed and paid up amounts to Euro 6,000,000, divided into 53,600,000 ordinary shares with no par value.

There have been no changes since 31 December 2018 and it is acknowledged that as at 31 March 2019, the Company and the Group held, directly through Piovan S.p.A., 2,670,700 treasury shares, equal to 4.98% of the share capital of Piovan S.p.A., whose value amounted to €2,250 thousand as at 31 March 2019.

The Company's ordinary shareholders' meeting of 6 July 2018 resolved to authorise the purchase of treasury shares, in one or more *tranches*, for a period not exceeding eighteen months, starting from the date of the resolution's effectiveness, in compliance with current legislative and regulatory provisions.

The **Currency translation reserve** includes the currency translation reserve differences deriving from the translation of the opening shareholders' equity of foreign operations included in the consolidation scope and the translation of their profit or loss recorded at the average rates of the year at closing rates.

The **Other reserves and retained earnings** item mainly includes other income-related and equity-related reserves of the Parent Company, in addition to retained earnings from prior years and the effects of adjustments due to adopting IFRS. This item changed in 2019 following the allocation of the previous year's result.

[14] EARNINGS PER SHARE

On 29 June 2018 the Shareholders' meeting approved an increase in the number of shares of the Company in the ratio of 100 (one hundred) new shares with no nominal value for each 1 old share. Following this resolution, which had no effect on the share capital, there were 60,000,000 shares in circulation and after the cancellation of 6,400,000 treasury shares, they amounted to 53,600,000.

The average number of shares used to calculate earnings per share is 50,929,300, corresponding to existing shares (53,600,000) less the number of treasury shares held (2,670,700). Therefore, the calculations of earnings per share for all periods presented were adjusted retrospectively and presented on the basis of the new number of shares, taking into account the average number of treasury shares.

For all the periods presented, earnings per share were calculated by dividing the net profit pertaining to the shareholders of the Parent Company by the weighted average number of ordinary shares in circulation, the latter determined considering the increase in the number of shares as established by the above mentioned resolution and the reduction relating to treasury shares in portfolio. The Group did not repurchase or issue ordinary shares in the financial years in question, nor were there potential ordinary shares that could be converted with dilutive effects.

The earnings per share are as follows:

Earnings per share	31.03.2019	31.03.2018
Profit for the period attributable to Parent Company shareholders (in thousands of Euros)	3,687	3,156
Weighted average of number of outstanding ordinary shares (in thousands of units)	50,929	50,929
Basic and diluted earnings per share (in Euros)	0.07	0.06

[15] EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

At 31 March 2019, equity attributable to non-controlling interests amounted to €3,822 thousand, compared to €3,791 thousand at 31 December 2018. This mainly includes non-controlling interests in the subsidiaries Penta S.r.l., Progema S.r.l. and FDM GmbH.

Shareholders' equity attributable to minority interests				
31.12.2018	Profit for the period	Dividends distributed	Changes in scope of consolidation	31.03.2019
3,791	32			3,822

[16] CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

This item is broken down as follows:

Current financial liabilities	31.03.2019	31.12.2018
Short-term bank loans	17,882	12,995
Current portion of medium/long-term loans	5,996	5,994
Loans for leases	320	280
Other borrowings	1,002	-
Current financial liabilities	25,200	19,269
Non-current financial liabilities	31.03.2019	31.12.2018
Medium/long-term bank loans	9,244	10,760
Loans for leases	470	609
Other borrowings	4,669	
Total non-current liabilities	14,384	11,369

The application of IFRS 16, as described in the section "Summary of applied accounting principles", involved the recognition of a financial liability totalling € 5,671 thousand, which was classified as "current" for €1,002 thousand and as "non-recurring" for €4,669 thousand. Short-term bank borrowings refer to the utilisation of lines of credit for operations. As at 31 March 2019, there were no secured loans.

The following tables show changes in current and non-current financial liabilities (including cash and non-cash movements):

Current financial liabilities	31.12.2018	Net cash flows	Other movements*	31.03.2019
Short-term bank loans	12,995	4,887		17,882
Current portion of medium/long-term loans	5,994	2		5,996
Loans for leases	280	40		320
Other borrowings	-	(114)	1,116	1,002
Current financial liabilities	19,269	4,815	1,116	25,200

Non-current financial liabilities	31.12.2018	Net cash flows	Other movements*	31.03.2019
Medium/long-term bank loans	10,760	(1,516)		9,244
Debenture loan	-	-		-
Loans for leases	609	(139)		470
Other borrowings	-	(81)	4,750	4,669
Non-current financial liabilities	11,369	(1,735)	4,750	14,384

* the amounts included in the "Other Movements" column refer to the effect of the application of IFRS 16 (Leases) at the transition date, i.e. January 1, 2019, divided between the "current" and "non-current" parts.

[17] EMPLOYEE BENEFIT PLANS

This item mainly includes (€3,891 thousand at 31 March 2019 and €3,888 thousand at 31 December 2018) liabilities for Employee severance indemnities recorded in the Italian companies of the Group. These liabilities qualify as defined benefit plans pursuant to IAS 19 and therefore underwent an actuarial calculation.

The remaining part of the balance (€28 thousand as at 31 March 2019 and €25 thousand as at 31 December 2018) consists of employee benefits recognised by foreign branches, which are immaterial both individually and collectively..

With respect to the actuarial assumptions illustrated in the Notes to the Annual Financial Report as at 31 December 2018 no facts or events emerged that would require an update of the actuarial calculation and assumption used.

[18] PROVISIONS FOR RISKS AND CHARGES

At 31 March 2019, provisions for risks and charges amounted to €2,946 thousand, compared with €2,925 thousand at 31 December 2018. The following table provides a breakdown and changes of this item:

Provisions for risks and charges	31.12.2018	Provisions	Utilisation	Translation differences	31.03.2019
Provision for legal and tax risks	1,939	192	(168)	9	1,973
Product warranty provision	748	32	(8)	5	777
Provision for additional client expenses	109	1	(37)		73
Pension provision	35				35
Provision for risks on investments	70				70
Other provisions for risks	23		(5)		18
Provisions for risks and charges	2,925	225	218	14	2,946

The *provision for legal and tax risks* as at 31 March 2019 mainly comprises:

- a provision of €467 thousand of the subsidiary Penta S.r.l., recognised in previous years, for the estimated potential future charges linked to a legal dispute in progress and in relation to which the subsidiary has assessed the risk of losing the case as probable;
- a provision of €130 thousand of the subsidiary Piovan France Sas set aside in 2018 to cover the estimated potential future charges associated with the reorganisation of the sales network in the French market;
- a provision for the subsidiary Piovan Do Brasil of €605 thousand set aside to cover a contingent liability that could arise from a more restrictive interpretation of the relevant tax regulations for the calculation of taxes. The subsidiary employed tax consultants of proven competence to analyse the case in point and quantify the amounts set aside;
- a provision set aside in 2018 by Universal Dynamics for an amount of \$295 thousand (€263 thousand) against a potential liability linked to local taxation of individual internal states;
- a provision set aside in 2018 for an amount of €390 thousand, which represents the best estimate of potential charges connected with commercial activities with reference to Piovan S.p.A. and Penta S.r.l.;
- a provision of €97 thousand, set aside in 2018 by the subsidiary Unadyn, relating to a legal dispute in progress and in respect of which the subsidiary has assessed the risk of losing the case.

The *Provision for product warranties* was accrued to cover estimated charges for work carried out under warranty to be incurred after each reporting date, calculated on the basis of historical costs and expected costs related to machinery and plants sold that are still under the initial warranty.

The *Provision for agents' termination benefits* is the estimated liability deriving from the application of ruling legislation and contractual clauses on the termination of agency relationships.

[19] CURRENT AND NON-CURRENT LIABILITIES FOR OPTIONS GRANTED TO NON CONTROLLING INVESTORS

These items refer to put options liabilities and commitments issued to the Penta S.r.l. minority shareholders. Piovan acquired control of Penta S.r.l. at the end of December 2014 by acquiring 51% of its quota capital. The purchase price of 51% of the subsidiary was €2,400 thousand. Furthermore, under this acquisition agreement, Piovan S.p.A.:

- assumed the commitment to acquire (hereinafter the "Commitment") - with the seller also assuming the commitment to sell - an additional 14% interest in the investee company. The acquisition of this second closing occurred in 2016 for a purchase price of €9,000 thousand;
- granted the seller a put option on Penta S.r.l.'s quotas for up to 35% of its equity (hereinafter the "Put Option") which gave the seller the unconditional right to sell to Piovan S.p.A. such portion at a price defined with a formula also based on the average equity and financial indicators extracted from Penta S.r.l.'s financial statements prepared in accordance with Italian GAAP. This option could be exercised after the approval of the financial statements of Penta S.r.l. at 31 December 2016 and within thirty days of the approval of the financial statements at 31 December 2018.

After analysing the acquisition agreement, the Directors established that control of Penta S.r.l. was acquired when the Group purchased the 51% investment in the investee company. At the date of transition to IFRS, the Commitment and the Put Option were recognised as liabilities, with balancing entries under equity attributable to the owners of the parent, as they refer to non-controlling interests that would only be assumed after the acquisition of control upon the purchase of the 51% of the subsidiary (thus qualifying as a transaction with owners in their capacity as owners: the description of the accounting policies for transactions with owners is provided in the "Basis of consolidation" paragraph in the Consolidated financial statements as at 31 December 2018). The carrying amount of the Put Option at the date of transition was equal to the estimated present value of the exercise price of such option as defined contractually.

A new director was appointed to Penta S.r.l.'s board of directors in April 2015 and acquired a 10% minority interest in the company from the seller of the investee. Piovan S.p.A. simultaneously granted its new quota-holder a put option (or "Put Option 2") related to such portion of Penta S.r.l.'s quota. The Put option 2 can be exercised from 1 January 2020 to 31 December 2022. The exercise price is defined by a formula based on equity and financial indicators found in Penta S.r.l. financial statements prepared in accordance with Italian accounting principles and available at the date on which the option is exercised (2020-2022).

With reference to the Put Option relating to 25%, it should be noted that on 7 September 2018 Piovan S.p.A. signed a sales contract with 3B Inc. S.r.l. (formerly 3B Immobiliare S.r.l.) for the purchase of 25.0% of Penta S.r.l.. The agreement governed the termination by mutual consent of the parties of the option previously granted to 3B Inc. S.r.l.. (minority

shareholder of Penta S.r.l. until the closing date) in addition to the simultaneous transfer of the shares subject of the same.

At 31 December 2018 and at 31 March 2019 the liability relating to the Put Option 2 for the remaining 10% interest in Penta S.r.l. remained. In order to determine the value of this liability as at 31 December 2018, the Parent Company estimated the equity and financial data on the basis of the formula defined in the contract and mentioned above. The value has been discounted.

There are no changes in the valuation of the options if compared to the end of the 2018 financial year, as there were no significant changes regarding the assumptions underlying the estimate of the same.

It should be remembered that the conditions on the basis of which these liabilities exist, as well as their valuation based on contractual provisions, are based on estimated future forecasts of economic and financial parameters; therefore, the aforesaid estimates and assumptions may differ from the historical values reported in the financial statements due to the intrinsic uncertainty that characterises the assumptions and the conditions on which these estimates are based.

Therefore, the book value of the liabilities for put options described above represents the best estimate, at each reference date, of their present value; changes in fair value are reflected in the profit and loss account under the item *Gains (losses) on liabilities for option granted to non controlling investors*.

With reference to the subsidiary FDM, the minority shareholder of the latter holds a put option on its shareholding (33.33%). This option has not been valued because its exercise by the third party is subject to actions that the Parent Company must implement and therefore under the control of the latter.

[20] OTHER NON-CURRENT LIABILITIES

At 31 March 2019, other non-current liabilities amounted to €111 thousand, compared to €121 thousand at 31 December 2018, and consisted of tax payables of the subsidiary Piovan Do Brasil.

[21] TRADE PAYABLES

At 31 March 2019, trade payables amounted to €32,493 thousand, compared to €39,937 thousand at 31 December 2018. Trade payables arise as a result of the different payment terms negotiated with suppliers, which differ from country to country in which the Group operates. The change in this item is due to the normal fluctuation between quarters in relation to the performance of the activities of the various companies.

[22] ADVANCES FROM CUSTOMERS

At 31 March 2019, *advances from customers* amounted to €15,711 thousand compared to €12,577 thousand at 31 December 2018. This item refers to advances received by the Group and related to contract with customers whose performance obligations are met at point in time.

[23] TAX LIABILITIES AND SOCIAL SECURITY CONTRIBUTIONS

At 31 March 2019, tax liabilities and social security contributions amounted to €5,187 thousand, compared to €6,422 thousand at 31 December 2018. This item is broken down as follows:

	31.03.2019	31.12.2018
Social security contributions	2,677	3,042
VAT payables	1,057	1,400
Payables for withholding taxes on employees	1,250	1,471
Income tax payables (IRES and IRAP)	341	327
Other	223	182
Tax liabilities and social security contributions	5,547	6,422

[24] OTHER CURRENT LIABILITIES

At 31 March 2019, *other current liabilities* amounted to €14,720 thousand, compared to €12,241 thousand at 31 December 2018. This item is broken down as follows:

	31.03.2019	31.12.2018
Payables to employees	7,036	5,951
Payables to parent companies	1,904	669
Accrued expenses and deferred income	4,038	3,923
Other payables	1,742	1,699
Other current liabilities	14,720	12,241

Payables to employees refer to wages and salaries and accrued holidays and leave. Payables to parent companies mainly refer to Piovan S.p.A. and Penta S.r.l. and derive from the consolidated tax agreement with the parent company Pentafin S.p.A..

[25] REVENUE

Revenue amounted to €57,025 thousand at 31 March 2019 compared to €50,689 thousand at 31 March 2018, with an increase of 12.5%.

In order to provide adequate disclosure on the nature and characteristics of revenue, it is broken down below by market and by geographical area. Such break-downs are regularly monitored by Group management.

Revenue is broken down by market as follows:

	First quarter 2019	First quarter 2018
Revenue from Plastic Systems	46,947	40,196
Revenue from Food Systems	3,611	4,695
Revenue from Service & Spare parts	6,467	5,798
Revenue	57,025	50,689

As described in the “Accounting policies” paragraph of the consolidated financial statements at 31 December 2018, a portion of revenue on both markets for the Plastic Systems and the Food Systems derives from contracts with customers for which the satisfaction of performance obligations is recognized over time, as is the related revenue. This category of revenue amounted to €6,802 thousand in the first quarter of 2019, compared to €5,532 thousand in the first quarter of 2018. These revenues relate to the subsidiary Penta S.r.l..

A breakdown of revenues by geographical area is as follows:

	First quarter 2019	First quarter 2018
EMEA	34,131	31,922
ASIA	8,252	6,271
NORTH AMERICA	12,016	10,192
SOUTH AMERICA	2,626	2,304
Revenue	57,025	50,689

EMEA revenue includes the portion of revenue generated in Italy, which amounted to €9,714 thousand in the first quarter of 2019 and €8,934 thousand in the first quarter of the previous year.

[26] OTHER REVENUE

Other revenue amounted to €969 thousand, with an increase of €289 thousand compared to the first quarter of 2018:

	First quarter 2019	First quarter 2018
Ancillary transport services on sales	648	460
Machinery hire	18	17
Grants related to income	103	-
Insurance compensation	26	2
Agency commissions	30	71
Sale of scrap materials	7	41
Increases in fixed assets for internal works	73	-
Other revenue	65	89
Other revenue and income	969	680

The *Ancillary transport services on sales* item mainly refers to revenue from ancillary transport services related to sales transactions with customers.

The item *Machinery hire* refers to income from the hire of own-produced goods generally for demonstration purposes or for the time elapsing until delivery of the system ordered by the customer.

Grants related to income for 2019 were mainly grants for research and development of Piovan S.p.A.

The item *Other revenues* mainly includes recharges and penalties applied to customers.

[27] COSTS OF RAW MATERIALS, COMPONENTS AND GOODS AND CHANGES IN INVENTORIES

This item totalled €22,870 thousand in the first quarter of 2019 compared to €19,627 thousand in the previous period. The item may be broken down as follows:

	First quarter 2019	First quarter 2018
Purchase of raw materials, consumables and goods and changes in inventories	22,870	19,627

The increase in purchases of raw materials, components and goods and change in inventory is due to the increase in sales and the mix effect.

[28] SERVICES

Costs for services amounted to €12,652 thousand in 2019, compared to €10,646 thousand in 2018, an increase of 18.8%.

The item may be broken down as follows:

	First quarter 2019	First quarter 2018
Outsourced processing	5,737	3,957
Transport costs	1,564	1,420
Business trips and travel	1,012	1,006
Agency commissions	830	839
Fees to directors, statutory auditors and independent auditors	503	505
Consultancies	722	595
Maintenance and repairs	420	440
Marketing and advertising costs	418	499
Utilities	353	350
Insurance	297	257
Telephone and internet connections	146	144
Other costs for services	650	636
Services costs	12,652	10,646

The trends in this caption are generally attributable to all Group companies, however, the most significant amounts refer to the Parent, Piovan S.p.A., Universal Dynamics Inc. and Penta S.r.l..

The most significant cost items, including from an industrial process point of view, are as follows:

- Outsourcing costs of €5,737 thousand in the first quarter of 2019 (45.3% of total *Services*) determined by the production methods of the Group, which concentrates on *core* and high added value processing and activities. In the first quarter of 2018, this item amounted to €3,957 thousand (37.2% of total *Services*). The increase in the weight of

outsourcing as a percentage of turnover is mainly due to the greater weight of external installations for some projects. The fluctuation in the weight of this cost, as well as in the item purchases of raw materials, consumption, goods and changes in inventories, in the various quarters is typical of the Group's business if analysed in the very short term;

- transport costs for purchases and sales; the increase is connected to business performance;
- business trips and travel costs, which refer to both sales scouting and customer relations activities and travelling to customer production sites for installation or start-up activities and customer assistance.

[29] USE OF THIRD PARTY ASSETS

The item *Use of third party assets* amounted to €426 thousand, compared to €603 thousand in the first three months of 2018.

The item may be broken down as follows:

	First quarter 2019	First quarter 2018
Rental expenses	195	418
Leases	97	85
Hires	135	101
Costs for use of third-party assets	426	603

The decrease in this item is mainly due to the effect of the application of the new accounting standard IFRS 16 - Lease.

Starting from the first quarter of 2019, for hire contracts falling within this case, the Group records a financial liability, and the related leases will not be recorded in the statement of profit and loss on a straight-line basis, but instead the depreciation of the related right of use will be recorded for the duration of the respective contracts.

[30] PERSONNEL EXPENSES

Personnel expenses amounted to €14,868 thousand compared to €13,559 thousand in the first quarter of 2018. A breakdown of personnel costs and the workforce by employee category is as follows:

	First quarter 2019	First quarter 2018
Wages and salaries	11,250	10,336
Social security charges	3,171	2,770
Costs for defined benefit plans	287	290
Other personnel expenses	159	164
Personnel expenses	14,868	13,559

	First quarter 2019		First quarter 2018	
	year end	average	year end	average
Managers	33	33	36	34
Middle managers	58	57	53	51
White-collar workers	584	583	556	556
Blue-collar workers	387	385	381	381
Total	1,063	1,058	1,026	1,022

The number of Group employees increased compared to March 2018. As at 31 December 2018, the total number of employees totalled 1.044. Such an increase is essential for the development of the Group and to ensure proximity to customers.

[31] OTHER EXPENSES

This item totalled €676 thousand compared to €798 thousand in the previous period. The item may be broken down as follows:

	First quarter 2019	First quarter 2018
Other taxes and duties	230	357
Bad debt provision recognition	257	297
Entertainment costs	92	71
Other	97	73
Other operating costs	676	798

The *Other taxes and duties* item mainly includes indirect taxes on property or other local taxes for operational management in the various countries, particularly in Brazil and China.

[32] PROVISIONS FOR RISKS AND CHARGES

Provisions for the first three months of 2019 amounted to €225 thousand, compared to €107 thousand in the same period of the previous year.

In 2019 the provision was mainly related to legal and tax risks, as described in greater detail in note [17].

[33] AMORTISATION AND DEPRECIATION

This item totalled €1,049 thousand compared to €697 thousand at 31 March 2018. The item may be broken down as follows:

	First quarter 2019	First quarter 2018
Depreciation of intangible fixed assets	74	15
Depreciation of property, plant and equipment	976	682
of which Right of use depreciation	314	-
Amortisation and depreciation	1,049	697

The increase in this item is mainly due to the application of IFRS 16, as described in note [1].

[34] FINANCIAL INCOME AND EXPENSES

This item totalled minus €89 thousand in the first three months of 2019 compared with minus €60 thousand in 2018.

This item includes the effects of interest income and financial expenses from the valuation of securities as described in greater detail in note [9] relating to cash investments.

[35] EXCHANGE RATE GAINS (LOSSES)

The item amounted to €211 thousand in the first three months of 2019 compared to minus €418 thousand in the same period of 2018. The item may be broken down as follows:

	First quarter 2019	First quarter 2018
Exchange rate gains	682	504
Foreign currency conversion losses	(472)	(922)
Net exchange rate gain (losses)	211	(418)

Unrealised exchange rate gains included under *Exchange rate gains* amounted to €444 thousand in the first three months of 2019 (65% of exchange rate gains of the period) and €371 thousand in the first three months of 2018 (74% of exchange rate gains of the period). Unrealised exchange rate losses included under *Exchange rate losses* amounted to €249 thousand in the first three months of 2019 (53% of exchange rate losses of the period) and €457 thousand in the first three months of 2018 (50% of exchange rate losses of the year). The first three months of 2019 show a net gain on exchange rates of €211 thousand, an improvement on the previous period.

[36] GAINS (LOSSES) ON LIABILITIES FOR OPTIONS GRANTED TO NON-CONTROLLING INVESTORS

This item relates to the valuation of the liabilities for *put options* of the non-controlling investors in Penta. There are no effects in the first quarter of 2019 and in the first quarter of 2018. For more information, please refer to note [18]

[37] GAINS (LOSSES) ON EQUITY INVESTMENT VALUATION

In the first quarter of 2018, this item included a net loss of €126 thousand relating to equity investments valued using the equity method.

[38] TAXES

This item totalled €1,629 thousand in the first three months of 2019 compared to €1,544 thousand in 2018. Taxes for the period were determined considering the best estimate of the average annual effective tax rate expected for the full year. Reference should be made to note [5] for information about movements in advance and deferred taxes and their composition.

[39] SEGMENT REPORTING

Under IFRS 8, an entity shall disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates. Based on internal reports and operating

activities that generate revenues and costs, the results of which are periodically reviewed at the highest operating decision-making level in order to make decisions on the allocation of resources and the assessment of results, no operating segments other than the Group as a whole have been identified.

Disclosure required also for entities that have a single reportable segment in relation to goods sold and services rendered and geographical areas are provided in note [25].

[40] OTHER INFORMATION

Categories of financial instruments and fair value hierarchy

With regard to the allocation of financial assets and liabilities required by IFRS 7, it should be noted that there were no transfers between the fair value levels indicated in IFRS 13 compared to those indicated in the Annual Financial Report at 31 December 2018, to which reference should be made for further information.

Related party transactions

The Group carried out commercial transactions with some related parties in 2018 and 2019. In compliance with the provisions of IAS 24, Related Parties are considered to be the following entities: (a) companies that directly or indirectly, through one or more intermediate companies, control or are controlled by or are under common control with the company that prepares the financial statements; (b) associated companies; (c) natural persons who directly or indirectly have a voting power in the company that prepares the financial statements that gives them a dominant influence over the company and their close family members; (d) executives with strategic responsibilities, i.e. those who have the power and responsibility for planning, management and control of the company that prepares the financial statements, including directors, officers and their close relatives; (e) companies in which any natural person described under (c) or (d) has, directly or indirectly, significant voting power, or over which such person is able to exercise significant influence. Case (e) includes companies owned by the directors or major shareholders of the company drawing up the financial statements as well as companies having a manager with strategic responsibilities in common with the company drawing up the financial statements.

All transactions are regulated at market conditions for goods and services of equal quality. With reference to the balance sheet balances as at 31 December 2018, reference should be made to the consolidated financial statements as at 31 December 2018, while with reference to the figures as at 31 March 2019, there were no significant transactions or balances except for the tax consolidation payable to PentaFin S.p.A. described in note [24] and the IRES repayment receivable from PentaFin S.p.A. described in note [11].

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

The following table shows the investees directly and indirectly controlled by the parent as well as all the legally-required disclosures necessary to prepare consolidated financial statements:

Company name	Registered office	Country	Currency	Share capital at 31/03/2019	% shareholding at 31/03/2019	Shares held	Consolidation method
						Shareholder -Partner	
Parent Company:							
Piovan S.p.A.	Santa Maria di Sala	Italy	EUR	6,000,000			
Investments in subsidiaries:							
Piovan India Private Limited	Mumbai	India	INR	350,000	100.00%	Piovan S.p.A.	Full
Piovan Plastics Machinery Ltd	Suzhou (CN)	China	CNY	5,088,441	100.00%	Piovan S.p.A.	Full
Piovan Do Brasil LTDA	Osasco (BRA)	Brazil	BRL	11,947,356	99.99%	Piovan S.p.A.	Full
Piovan Mexico S. A.	Queretaro (MX)	Mexico	MXN	706,540	99.99%	Piovan S.p.A.	Full
Piovan Central Europe GmbH	Brunn am Gebirge (A)	Austria	EUR	35,000	100.00%	Piovan S.p.A.	Full
Piovan UK Limited	Bromsgrove (GB)	United Kingdom	GBP	25,000	100.00%	Piovan S.p.A.	Full
Piovan Czech Republic s.r.o.	Prague (CZ)	Czech Republic	CZK	200,000	100.00%	- Piovan Central Europe GmbH (90%)	Full
						- Piovan S.p.A. (10%)	
Piovan France sas	Chemin du Pognat (F)	France	EUR	1,226,800	100.00%	Piovan S.p.A.	Full
Universal Dynamics Inc.	Fredericksburg, Virginia (U.S. A.)	USA	USD	3,500,000	100.00%	Piovan S.p.A.	Full
Piovan GmbH	Garching (D)	Germany	EUR	102,258	100.00%	Piovan S.p.A.	Full
Piovan Canada Ltd	Mississauga - Ontario (CAN)	Canada	CAD	10	100.00%	Piovan S.p.A.	Full
Piovan Asia Pacific Limited	Bangkok (TH)	Thailand	THB	4,020,000	100.00%(*)	Piovan S.p.A.	Full
FDM GmbH	Troisdorf (DE)	Germany	EUR	75,000	66.67%	Piovan S.p.A.	Full
Piovan Muhendslik Ltd	Beikoz (TR)	Turkey	TRY	10,000	100.00%	Piovan S.p.A.	Full
Penta S.r.l.	Ferrara (IT)	Italy	EUR	100,000	90.00%	Piovan S.p.A.	Full
Energys S.r.l.	Venice (IT)	Italy	EUR	10,000	100.00%	Piovan S.p.A.	Full
Piovan Japan Inc.	Kobe (J)	Japan	JPY	6,000,000	100.00%	Piovan S.p.A.	Full
Piovan Gulf FZE	Dubai (UAE)	United Arab Emirates	AED	1,000,000	100.00%	Piovan S.p.A.	Full
Aquatech S.r.l.	Venice (IT)	Italy	EUR	40,000	100.00%	Piovan S.p.A.	Full
Piovan Vietnam Company Ltd	Mai Chi Tho (Vietnam)	Vietnam	VND	1,136,500,000	100.00%	Piovan S.p.A.	Full

Company name	Registered office	Country	Currency	Share capital at 31/03/2019	% shareholding at 31/03/2019	Shares held	Consolidation method
						Shareholder -Partner	
Progema S.r.l.	San Felice sul Panaro (MO)	Italy	EUR	25,000	62.00%	Penta S.r.l.	Full
Piovan Hungary Kft	Budapest	Hungary	HUF	3,000,000	100.00%	Piovan Central Europe GmbH	Full
Studio Ponte S.r.l.	Poggio Renatico (FE)	Italy	EUR	10,000	51.00%	Penta S.r.l.	Equity method
Penta Auto Feeding India Ltd	Navi Mumbai (India)	India	INR	10,750,000	50.00%	Penta S.r.l.	Equity method
Piovan South East Asia Ltd (in liquidation)	Bangkok (Thailand)	Thailand	THB	9,000,000	100.00%	Piovan S.p.A.	Equity method
Piovan Maroc Sarl	Kenitra	Morocco	MAD	1,000,000	100.00%	Piovan S.p.A.	Equity method
Shareholdings in associated companies:							
CMG S.p.A.	Budrio (BO)	Italy	EUR	1,250,000	20%	Piovan S.p.A.	Equity method

(*) The shareholding in the company Piovan Asia Pacific Ltd is wholly owned through direct control for 49% and indirect through a trust, in order to make the corporate structure compliant with local regulations in relation to the activity carried out by the Company

Events after the reporting date

Reference should be made to the section "Group performance".

Santa Maria di Sala (Venice), 14 May 2019

For the Board of Directors

The Chairman

Nicola Piovan

Declaration of the manager responsible for preparing the company's financial reports pursuant to the provisions of paragraph 2 of Article 154-bis of Legislative Decree no. 58/1998 (Consolidated Law on Finance)

The undersigned Luca Sabadin, Chief Financial Officer of the Piovan Group, in his capacity as Manager in charge of preparing the company's financial reports, hereby declares that the Periodic Financial Information at 31 March 2019 corresponds to the documented results, books and accounting records.

The Manager responsible for drawing up the company's financial reports.

Luca Sabadin



Periodic financial statements of
Piovan S.p.A.

PIOVAN S.p.A.
Via delle Industrie 16 - 30036
S. Maria di Sala VE - Italy