PiovanGroup

ANNUAL INTEGRATED REPORT 2024

INDEX

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

Registered Office: Via delle Industrie 16 – 30036 S. Maria di Sala (Venice) Italy
Telephone: +39 041 5799111
Certified e-mail: piovanspa@legalmail.it
E-mail: info@piovan.com
Website: www.piovan.com
Share capital: Euro 6,000,000 fully paid-in
Tax No.: 02307730289 VAT No.: 02700490275
Venice Economic & Administrative Registration No. 235320

EXECUTIVE CHAIRMAN’S LETTER

Dear Shareholders and Collaborators,

I am pleased to present our annual report for fiscal year 2024, a year in which Piovan Group consolidated its global leadership amid a challenging macroeconomic environment presenting many uncertainties. A year in which important decisions were taken that lay the foundation for Piovan's future development.

Satisfactory Results: 2024 was another record-breaking year: despite the market being challenged and impacted by many conflicts, our financial performance exceeded the already excellent previous year, with revenue hitting a record Euro 572 million and profit levels reflecting robust growth, with an Adjusted EBITDA margin of almost 14%. These results are a testament to the hard work and dedication of our talented group of people, the resilience of our business model, and our constant commitment to creating value for our shareholders.

Acquisitions: The history of the Piovan Group has been characterized by the right mix of internal growth and by acquisitions, and 2024 was no exception. With the acquisition of the control of our Indian joint venture NuVu-Conair Private Ltd., followed by the purchase in early 2025 of Penta Auto Feeding India, we have built further on our already extensive geographic presence - in a booming Indian market.

Organic Expansion: 2024 was also a key year in terms of our organic expansion. In fact, we have completed construction of the new Fea plant in Cuneo, finished work on the expansion of the NuVu NuVu-Conair Private Ltd. factory in India, and - in early 2025 - opened our new HQ in China that will act as a hub for the entire Asian region. This is proof that we continue to invest for future growth with a focus in what we consider to be the most attractive markets.

Important Decisions for the Future: Clearly, one of the most significant changes of the year was the decision to open up our share capital to a new majority investor, with whom we embarked on the journey of delisting from stock market. My family's decision to sell the majority of the company’s shares to Investindustrial was pondered at length, having as first and foremost objective the future and prosperity of the Piovan Group. Because of this, it found a focus on the partner that was deemed the most suitable in supporting us on this growth journey that began first with my grandfather, then with my father and later carried on by me. Together with Investindustrial, a new chapter will now begin, while however always remaining true to our three long-standing fundamental pillars: our CUSTOMERS, our PEOPLE and INNOVATION.

I therefore extend my sincerest gratitude to all our employees, to our customers, and to our esteemed shareholders for their unwavering support over these years.

Best regards,

Nicola Piovan,
Executive Chairman
Piovan S.p.A.

GOVERNANCE OF 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, 2024, date of the Shareholders’ AGM for the approval of the 2023 Annual Accounts.

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

(*) Independent Director pursuant to Article 147-ter, paragraph 4 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.

In office from April 29, 2024 until January 28, 2025, the date when the acquisition of the controlling investment in the Company by Automation Systems S.p.A. was finalized.

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

(*) Independent Director pursuant to Article 147-ter, paragraph 4 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.

On July 31, 2024, all members of the Board of Directors in office submitted their formal resignations. The effectiveness of these resignations was from the date on which the appointment of the new Board members (appointed by the Company’s Shareholders’ Meeting as part of the completion of the acquisition of the controlling investment by Automation Systems S.p.A.) became effective. For further details, reference should be made to the “Significant events in the year” paragraph. Therefore, from January 28, 2025 and until the Shareholders' AGM called to approve the 2025 Annual Accounts the Board of Directors comprises:

Name	Carica
Nicola Piovan	Executive Chairman
Filippo Zuppichin	Chief Executive Officer
Roberto Ardagna	Director
Chiara Arisi	Director
Elena Biffi(*)	Independent Director
Michela Cassano(*)	Independent Director
Mario Cesari(*)	Independent Director

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

Board of Statutory Auditors

In office since April 29, 2021 until the Shareholders' AGM for the approval of 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

In office since April 29, 2024 until the Shareholders' AGM for the approval of the 2026 Annual Accounts.

Name	In charge
Carmen Pezzuto	Chairman
Luca Bassan	Statutory Auditor
Diletta Selvaggia Elena Stendardi	Statutory Auditor
Stefania Targa	Statutory Auditor
Federica De Pieri	Statutory Auditor

Control, Risks and Sustainability Committee

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

Name	In charge
Antonella Lillo	Chairman
Marco Maria Fumagalli	
Mario Cesari	

In office from April 29, 2024 until January 28, 2025, the date when the acquisition of the controlling investment in the Company by Automation Systems S.p.A. was finalized.

Name	
Marco Maria Fumagalli	Chairman
Mario Cesari	
Manuela Grattoni	

From January 28, 2025 and until the Shareholders' AGM called to approve the 2025 Annual Accounts, as indicated above with reference to the entire Board of Directors, the composition of the committee is as follows:

Name	
Michela Cassano	Chairman
Elena Biffi	
Mario Cesari	

Nomination and Remuneration Committee

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

Name	In charge
Manuela Grattoni	Chairman
Marco Maria Fumagalli	
Antonella Lillo	

In office from April 29, 2024 until January 28, 2025, the date when the acquisition of the controlling investment in the Company by Automation Systems S.p.A. was finalized.

Name	
Manuela Grattoni	Chairman
Alessandra Bianchi	
Antonella Lillo	

From January 28, 2025 and until the Shareholders' AGM called to approve the 2025 Annual Accounts, as indicated above with reference to the entire Board of Directors, the composition of the committee is as follows:

Name	
Michela Cassano	Chairman
Elena Biffi	
Mario Cesari	

Related Parties Committee

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

Name	In charge
Marco Maria Fumagalli	Chairman
Manuela Grattoni	
Mario Cesari	

In office from April 29, 2024 until January 28, 2025, the date when the acquisition of the controlling investment in the Company by Automation Systems S.p.A. was finalized.

Name	
Antonella Lillo	Chairman
Marco Maria Fumagalli	
Mario Cesari	

From January 28, 2025 and until the Shareholders' AGM called to approve the 2025 Annual Accounts, as indicated above with reference to the entire Board of Directors, the composition of the committee is as follows:

Name	
Elena Biffi	Chairman
Michela Cassano	
Mario Cesari	

Supervisory Board

In office from August 2, 2021, to April 30, 2024

Name	In charge
Patrizia Santonocito	Chairman
Giovanni Boldrin	
Chiara Zilio	

Ms. Santonocito resigned as the Chair of the Supervisory Board, effective April 30, 2024, for personal reasons. The Board of Directors - noting this decision - on May 14, 2024 appointed Ms. Diletta Stendardi to replace Ms. Santonocito. Following this appointment, the composition of the Supervisory Board changes, as presented in the table below.
In Office until August 1, 2027

Name	
Diletta Selvaggia Elena Stendardi	Chairman
Giovanni Boldrin	
Chiara Zilio	

Executive officer for Financial Reporting

Giovanni Rigodanza, in office until the Shareholders' AGM for the approval of the 2026 Annual Accounts.

Independent Audit Firm

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

Significant shareholdings

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% at the approval date of the annual integrated report at December 31, 2024 were:

Direct shareholder	% of ordinary share capital (*)	% of voting share capital (**)	% of ordinary share capital (***)	% of voting share capital (****)
Automation Systems S.p.A.	**64.819**	**64.819**	**67.536**	**67.536**
(*) Total No. ordinary shares: 53,600,000, including Piovan S.p.A. treasury shares equal to 2,155,600.				
(**) 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: 51,444,400, 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.				

DIRECTORS' REPORT

Dear Shareholders,

We present for your review and approval the separate financial statements at December 31, 2024, of the Parent Company, Piovan S.p.A., which reports “Total revenues and other income” of Euro 137.2 million and a net profit of Euro 17.5 million, after total net current and deferred taxes of Euro 7.8 million.
The Board of Directors of the Parent Company, Piovan S.p.A., in accordance with the accounting rules, prepared also the Piovan Group consolidated financial statements for 2024.
The consolidated financial statements present “Total revenues and other income” of Euro 571.8 million and a net profit of Euro 46.3 million, of which Euro 44.5 million refers to the owners of the parent company.

Introduction

The Consolidated Financial Statements of the Piovan Group and the Separate Financial Statements of Piovan S.p.A. were both prepared in accordance with international accounting standards issued by the International Accounting Standards Board (IASB), endorsed by the European Union (IFRS) as required by Regulation No. 1606/2002 issued by the European Parliament and European Council and adopted with Legislative Decree No. 38/2005.
The Parent Company Piovan S.p.A. availed itself of the option contained in Legislative Decree 32/2007 which permits companies that must prepare consolidated financial statements to present a single Directors’ Report for the separate and consolidated financial statements and therefore greater attention was focused in this Report, where appropriate, on the most significant matters concerning the companies included in the consolidation scope.
This Directors' Report contains the disclosures required by Legislative Decree No. 125/2024, implementing Directive 2022/2464/EU (Corporate Sustainability Reporting Directive - CSRD) regarding the disclosure of non-financial Corporate Sustainability Reporting information, which are contained in a special section called the "Sustainability Report."

Section I - Piovan Group

Piovan Group operates in Italy and internationally in the production of systems for the automation of production processes for the storage, transport and treatment of polymers, recycled plastics and bio-resins (“Technical Polymers"), automation systems for the storage and transport of food fluids and food and non-food powders ("Food & Industrial Applications”), and technical assistance and marketing of spare parts and services ("Services"). The Group is a global leader in the Technical Polymers market in the design and production of plants and control systems for the automation of all phases of the polymers, recycled plastics and bio-resins production cycle. In particular, over recent years the Group has been particularly engaged in developing and producing systems to automate production processes for the circular economy for recycling and reusing plastic and for the production of plastics which are naturally compostable.

The History

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.

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

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

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

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

In January 2022, Piovan S.p.A. completed the acquisition of the entirety of the share capital in Sewickley Capital Inc., in turn owner of 100% of IPEG Inc. – an industry leader in North America – thereby further strengthening its global leadership in this industry.
In February 2024, Piovan S.p.A. acquired 1% of the share capital of Nu-Vu Conair Private Ltd ("NuVu") - an Indian company of which Piovan already indirectly holds 50% through the subsidiary Conair Pacific Equipment PTE Ltd - from the selling shareholders of NuVu. As a result of this transaction, Piovan Group collectively holds a 51% stake in NuVu, acquiring a controlling interest in the company and consolidating it within the group beginning in February 2024.

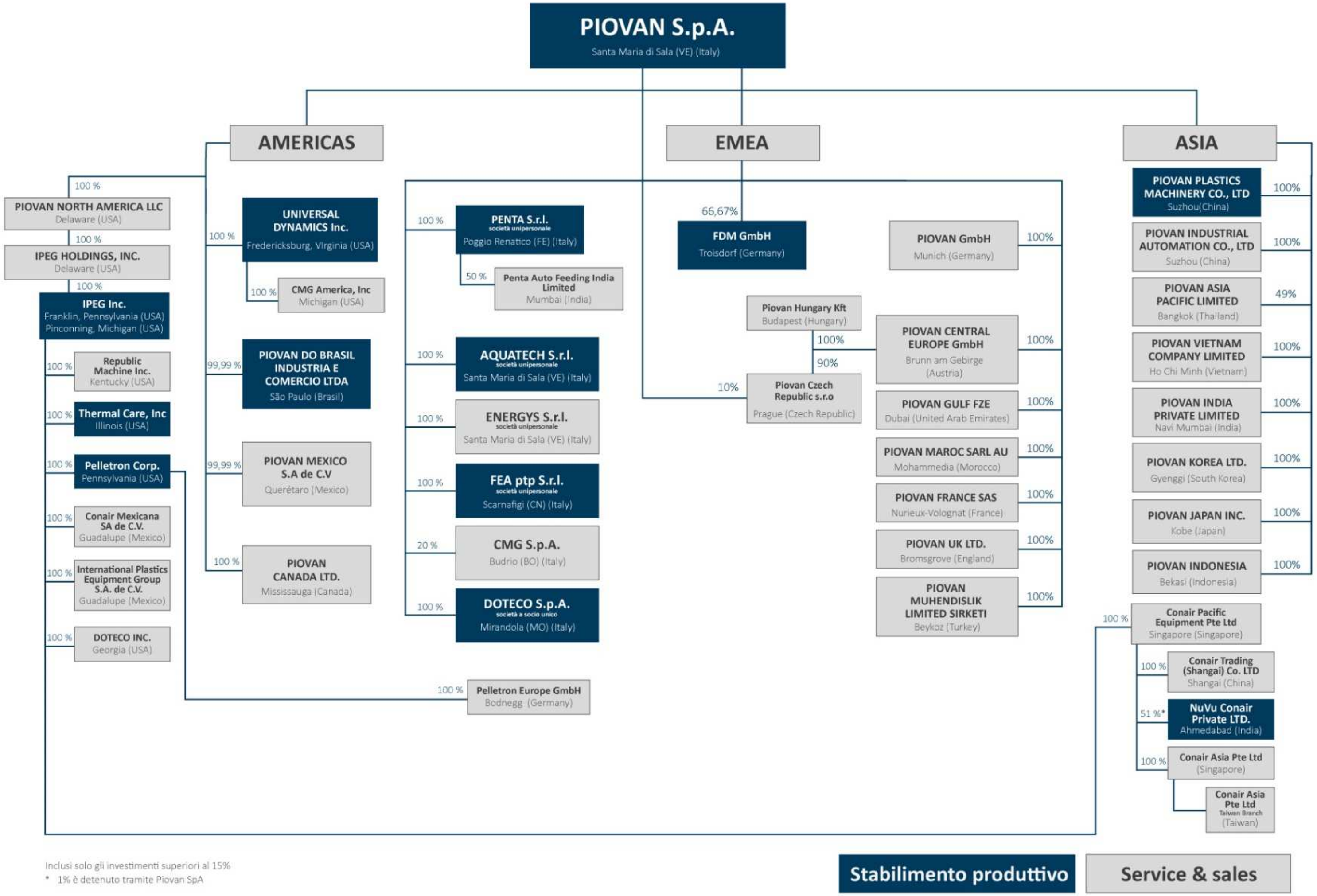
Today the Group comprises a network of direct or indirect subsidiaries of Piovan S.p.A., with sites in Europe, the United States and Asia, both thanks to organic growth dynamics and to acquisitions. The strategic, managerial and operational direction of the Group, which as of December 31, 2024, comprises 43 companies, including 13 production companies with 14 plants and 30 commercial companies, is entrusted directly to Piovan S.p.A.

The global reach of the 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 treatment of polymers, recycled plastics and bio-resins to every final sector, and for the transport and treatment of food powders and creams, which has recently become an area of development within the Group's range, thanks to the subsidiaries Penta S.r.l. and FEA Process & Technologica Plants S.r.l.

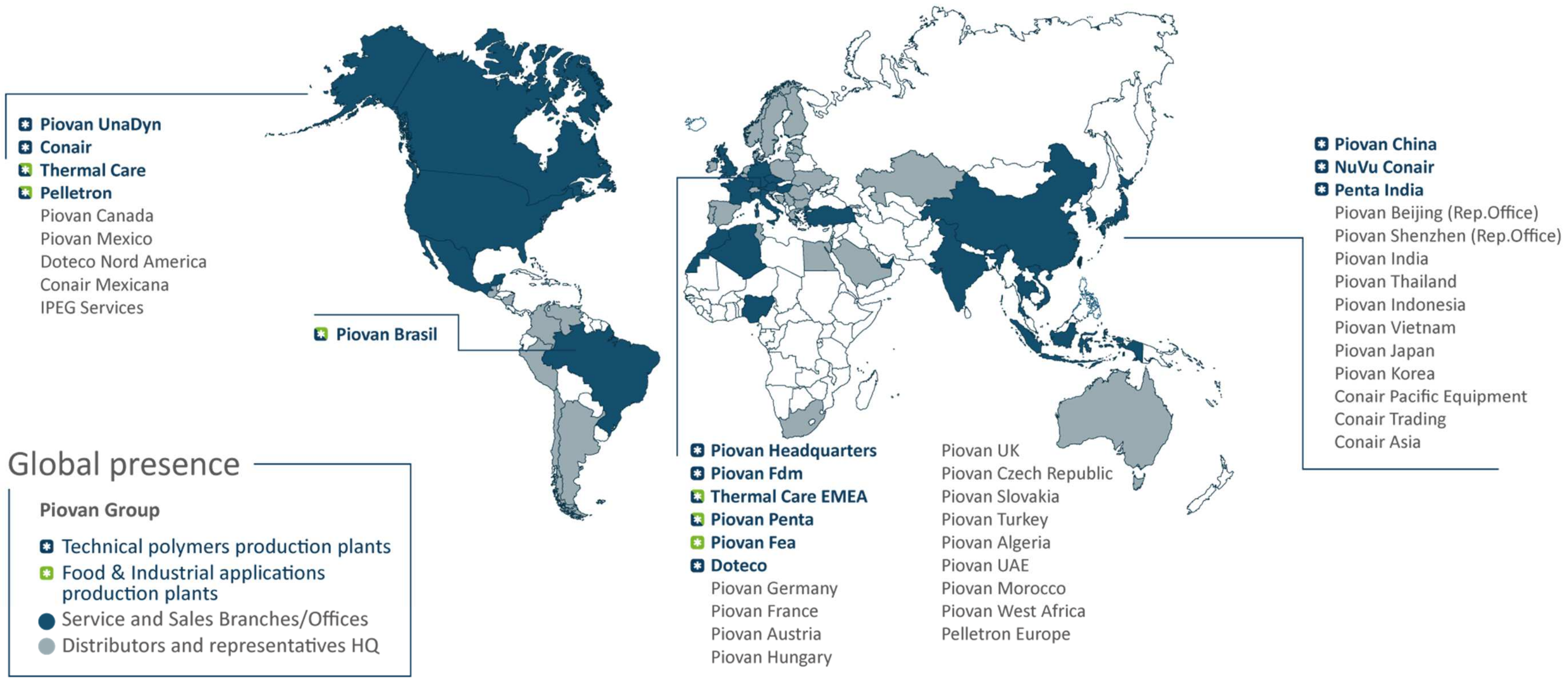
On October 22, 2019, Italy's President, Sergio Mattarella, honored Nicola Piovan with the title of *Cavaliere del Lavoro* (Italian knighthood for accomplishments in industry). This important recognition testifies to the commitment the Piovan family has dedicated to growing the business for more than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

On July 19, 2024, a preliminary agreement was signed between Pentafin S.p.A. and Investindustrial for the disposal of the controlling holding of the Piovan Group. On January 28, 2025, following the fulfillment of all conditions precedent, the acquisition by Investindustrial through the vehicle Automation System S.p.A. became effective. Therefore, Automation System S.p.A. holds 64.8% of the Company.

Piovan Group structure at December 31, 2024



Main production and commercial sites



The company’s activities are carried out in the locations listed below:

Piovan S.p.A. – S. Maria di Sala (VE), Italy

The Piovan Group’s production and administrative headquarters are located at No. S. Maria di Sala (VE), where Parent Company management and administration, finance, operating control, marketing and ICT system control are overseen. The production site specializes in the production of auxiliary systems for the processing, transport and treatment of polymers, recycled plastics, and bio-resins, and in particular in the production of auxiliary machinery that responds to the sector’s specific and varying requirements.

Aquatech S.r.l. - S. Maria di Sala (VE), Italy

The Aquatech plant is located in S. Maria di Sala (VE) and produces industrial refrigeration and temperature control systems for all Group companies and also for customers outside the plastic sector.

Penta S.r.l. – Poggio Renatico, Ferrara, Italy

The Penta plant is located in the province of Ferrara, where systems for the transport of powders, mainly in the food sector, are designed and constructed. The work complements that of Piovan S.p.A., and the Group expects significant growth, thanks in part to the Group's foreign commercial network.

FDM GmbH – Troisdorf, Germany

The company operates in a specific segment of the Group's business, producing and marketing special dispensers mainly for the extrusion sector.

Piovan Plastics Machinery Ltd – Suzhou, China

The plant is located in SuZhou, China, and the industrial enterprise was established in 2004 to develop and produce machinery mainly for the Chinese market.

Universal Dynamics Inc. – Fredericksburg, Virginia, United States

The company was acquired in October 2008. It produces systems for the transport of plastic powders and markets the Group's products in the United States.

Piovan do Brasil LtdA – Osasco, Brazil

The plant is located in Osasco, Brazil, and is responsible for the production and marketing of Piovan products in South America. It is the first manufacturer of auxiliary machines for these countries.

Energys S.r.l. - S. Maria di Sala (VE), Italy

Energys S.r.l. operates in the field of energy certification and also provides related services to the companies of the Piovan group and others. The company was founded in 2012, and was acquired by Piovan S.p.A. in 2016. Energys S.r.l. was sold to a non-Group entity at the end of December 2024.

Piovan GmbH – Garching, Germany

The company distributes Piovan products on the German market, which is Europe's most important market and a shop window for the rest of the world.

Piovan Mexico S.A. – Queretaro, Mexico

The company was established in 2004, and is responsible for marketing Piovan products in Mexico.

Piovan Central Europe GmbH - Brunn am Gebirge, Austria

The company was founded in 2005 and is based near Vienna. It aims to sell our products to the Austrian market, and constitutes our main channel for sales to Eastern European markets.

Piovan UK Ltd – Bromsgrove, England

The company was founded in 2005, and sells our products in the UK.

Piovan France Sas – Nurieux Volognat, France

The French market leader in auxiliary machinery sales, the company was acquired in October 2008. In early 2016, Piovan S.p.A. acquired 100% of the company's shares.

Piovan Canada Ltd - Mississauga, Ontario, Canada

The company was established in 1994. It is responsible for the marketing of the Group's products on the Canadian market, especially those of Piovan S.p.A. and Universal Dynamics Inc.

Piovan Asia Pacific Ltd – Bangkok, Thailand

The company is responsible for the marketing of Piovan products in Asian markets.

Piovan India Private Limited – Mumbai

The company's main responsibility is assisting customers and promoting sales in India.

Piovan Muhendislk Ltd. - Beikoz, Turkey

The company is responsible for marketing Piovan systems in the Turkish market.

Piovan Japan Inc.- Kobe - Japan

The company is responsible for marketing Piovan systems in the Japanese market.

Piovan Maroc - Kenitra, Morocco

The company is responsible for marketing Piovan systems in the African market.

Piovan Gulf FZE – Dubai, United Arab Emirates

The company is responsible for marketing Piovan systems in the Middle East markets.

Piovan Vietnam Company Ltd - Mai Chi Tho, Vietnam

The company is responsible for marketing Piovan systems in the South-East Asia market.

FEA Process & Technological Plants S.r.l. - Cuneo, Italy

The company operates in Cuneo, and specializes in the automation of transport and storage systems for viscous liquids for the food industry.

Doteco S.p.A. – Modena, Italy

The company, based in Modena, was founded in 1994 and is currently among the world leaders in dosing technology for plastic films (for food and non-food packaging) and synthetic fibers. The company was acquired by Piovan S.p.A. in October 2020.

Doteco Inc. – Dalton, Georgia, U.S.A.

A wholly-owned subsidiary of IPEG Holding Inc. and based in Georgia (USA), the company markets Doteco products in the American market.
As also described below, on January 1, 2023, the equity interest in Doteco Inc. was transferred to IPEG Holdings Inc. by Doteco S.p.A.

Piovan Nord America Llc – Delaware, U.S.A.

This company, a wholly-owned subsidiary of Piovan S.p.A. based in Delaware (USA), is a holding company of IPEG Holdings Inc., the holding company of the IPEG group.

IPEG Holdings Inc. – Delaware, U.S.A.

This company, a wholly-owned subsidiary of Piovan North America LLC based in Delaware (USA), is a holding company of IPEG Inc., the parent company of the IPEG group.

PGNA Inc. - Franklin, Pennsylvania, U.S.A. and Pinconning, Michigan, U.S.A.

This company (former Ipeg Inc.), a wholly-owned subsidiary of IPEG Holdings Inc., has two production facilities, one in Franklin, Pennsylvania (USA), and another in Pinconning, Michigan (USA). The company is engaged in industrial automation for the transport and treatment of polymers and the production of industrial refrigerators for the Conair brand.

Republic Machine Inc. – Louisville, Kentucky, U.S.A.

This company, a member of the IPEG group and a wholly-owned subsidiary of PGNA Inc., is based in Kentucky (USA) and produces single-shaft shredders and grinders under the Republic Machine brand that are used in a wide range of shredding and recycling applications involving plastics, wood, carpet, rubber, and medical waste.

Thermal Care Inc. – Niles, Illinois, U.S.A.

This company, a member of the IPEG group and a wholly-owned subsidiary of PGNA Inc., has facilities in Illinois (USA) where it produces cooling solutions and machinery (temperature controllers, portable and central chillers, cooling towers, and pumps/tanks) under the Thermal Care brand.

Pelletron Corp. – Lancaster, Pennsylvania, U.S.A.

This company, a member of the IPEG group and a wholly-owned subsidiary of PGNA Inc., has facilities in Pennsylvania (USA) where it produces dust-removal systems for applications in plastics production, food and beverage, recycling, and the minerals industry.

Conair Mexicana S.A. de C.V. - Guadalupe, Mexico

The company is responsible for the marketing of the systems for the Conair brand on the Mexican market.

International Plastics Equipement Group S.A. de C.V. – Guadalupe, Mexico

The company is responsible for the marketing of the systems for the IPEG group on the Mexican market.

Pelletron Europe GmbH – Bodnegg, Germany

The company is responsible for marketing of the systems for the Pelletron brand on the European market.

Conair Pacific Equipements Pte Ltd – Singapore

The company is responsible for the marketing of the systems and after sales services for the Conair brand on the Asian market.

Conair Trading (SHANGHAI) Co. - Ltd – Shanghai – China

The company is responsible for the marketing of the systems for the Conair brand on the Asian market.

Conair Asia Pte Ltd – Singapore

The company is responsible for the marketing of the systems for the Conair brand on the Asian market.

Conair Asia Pte Ltd - Taiwan

The company is responsible for the marketing of the systems for the Conair brand on the Asian market.

Piovan Industrial Automation (Suzhou) Co., Ltd. – Suzhou, China

This company was established in 2022 for the purpose of building the new China facility.

Piovan Korea LTD. – Gyenggi, South Korea

The company was incorporated in 2023 to serve the South Korean market with the distribution of Piovan Group systems and provision of after-sale services.

NuVu Conair Private LTD - Ahmedabad, India

The company, of which the Group acquired control in January 2024, and in which it previously, through the IPEG Group, held joint control with a 50% stake, has production facilities in India and is engaged in industrial automation for the transport and treatment of polymers and the production of industrial refrigerators.

Piovan Colombia - Bogota

The company was incorporated at the end of 2024 to serve the Colombian market with the distribution of Piovan Group systems and provision of after-sale services.

Section II – Group's profile and results

General economic overview

Although there had been a moderate gradual improvement in the global macroeconomic picture during the early months of 2024, developments in the final months of the year indicated the re-emergence of signs of uncertainty with, moreover, varied trends among the major economies. While the United States has maintained stable economic output, the other advanced economies have shown signs of slowing down. In China, the housing market crisis continues to negatively affect domestic demand. Geopolitical tensions and tightening U.S. trade policies have contributed to an uncertain economic environment by impacting the global trade growth outlook. In addition, the prices of raw materials and oil and energy sources continue to rise, albeit retreating from last year's peaks.

Looking at the numbers in more detail, the latest January 2025 International Monetary Fund (IMF) update on global growth indicates a slight revision of the estimates, with global growth of 3.2% still forecast for 2024, but with a slight improvement to 3.4% for 2025 compared to the October 2024 forecast. As anticipated however, the underlying dynamics of the growth expectations continue to vary widely among regions.

Growth estimates for the advanced economies have been revised downward, to 2.4% in 2024 (0.1% lower than forecast in October 2024) and to 1.7% in 2025. In the Eurozone, growth remains moderate, with a forecast of a 0.8% increase in 2024, supported by the dynamism of services and export sectors in the first half of the year. In 2025, growth of 1.4% is projected. This trend is supported by rising real wages and investment benefiting from easing financial conditions, although the manufacturing sector remains weak, particularly in countries such as Germany.

In the emerging markets and developing countries, growth forecasts have been revised upward, driven by the recovery in China and India. China's growth is projected at 5% in 2024, supported by a recovery in consumption and exports. In 2025, it is expected to slow to 4.6%, with growth continuing to decelerate in the medium term to 3.3% in 2029 due to a slowdown in productivity growth. For India, the forecast was also revised upward, with a projected increase of 7% in 2024.

Nominal wage growth remains strong in many economies, with increases in excess of inflation in some countries, reflecting the wage negotiations that took place in early 2024. In terms of interest rates, many central banks in emerging countries remain cautious, mainly because of exchange rate volatility and the weakening of currencies against the dollar.

Against this macroeconomic backdrop, countries will need to continue to work to restore price stability and deal with the challenges stemming from the recent crisis by recovering the lost ground. In the short term, this will require a carefully calibrated policy mix. In countries with significant inflationary risk, central banks should avoid easing too quickly, maintaining the option of further tightening if necessary. In contrast, in countries where inflation appears to have stabilized, monetary policies should be loosened cautiously and gradually.

In this environment, the Piovan Group continues to operate through an organizational structure based on subsidiaries with production sites on different continents and a global network providing technical and commercial assistance across all the areas in which the Group operates.

The Group's goal is to have a presence in all relevant markets and, in particular, to open or reinforce facilities in markets that are expected to see growth. It is for this reason that the group has, even in this challenging macroeconomic landscape, managed to increase market share in order to mitigate the overall risk and benefit from possible improvements in certain areas/sectors.

Significant events in the year

New facility in China

During January 2024, the Group’s Chinese manufacturing company (“Piovan China”) began the relocation of its manufacturing operations to a temporary site, located at No. 63 Xiangyang Road, Suzhou National High-tech Industrial Development Zone. The transfer was completed in March 2024. This temporary solution, was necessary as a result of the expiration of the lease of the premises occupied until then, and pending the completion of the construction of the new plant, located in No. 369 Tayuan Road, Suzhou National High-tech Industrial Development Zone. In January 2025, an opening ceremony was held for the new building where Piovan China will move its operations to its final location by the first half of 2025.

Consolidation of Group brands and refrigeration activities

On January 31, 2024, the Piovan Group announced the start of a process to simplify its brand architecture, the purpose of which is to develop the Group and strengthen the sense of belonging of the constituent brands, while respecting their history and identity, and to present itself with a single strong identity on the international market. Specifically, the brands "Fdm”, "Fea”, "Penta”, and "UnaDyn" as of the announcement date became "Piovan Fdm”, "Piovan Fea”, "Piovan Penta”, and "Piovan UnaDyn”. The "Conair”, "Doteco”, "Pelletron" and "Thermal Care" brands will add "PiovanGroup" as an integral part of their logos. In addition, Progema merged into Piovan Penta, and Republic Machine into Conair.

Finally, as of the date of the announcement, Aquatech will begin operating under the Thermal Care brand as part of a broader strategic initiative in industrial and process refrigeration resulting from the integration of the activities and products of the two companies. The Group expects this consolidation to lead to the creation of a global player in the segment, with a highly-spread production capacity ranging from North America to Latin America and from Europe to Asia, alongside a comprehensive service structure which ensures a closeness to the customer in all countries in which it has a presence and operates. The integration of these business units will allow for R&D efficiencies and an expanded portfolio of products, solutions and services capable of serving a wide range of market sectors.

Acquisition of a 1% stake in Nu-Vu Conair Private Ltd

On February 6, 2024, Piovan S.p.A. and NuVu announced the signing of an agreement which stipulated the purchase by Piovan S.p.A. of 1% of the share capital of NuVu, an Indian company of which Piovan already indirectly holds 50% through the subsidiary Conair Pacific Equipment PTE Ltd, from the selling shareholders of NuVu. The acquisition was completed on February 14, 2024, following the satisfaction of all conditions set out under the agreement, and the Piovan Group currently holds a total stake of 51% in NuVu.
NuVu was a joint venture between NuVu Engineers, Ahmedabad, India and the Conair Group (part of the Piovan Group), Pennsylvania, USA. The joint venture began in 2007, and NuVu is currently one of the

leading manufacturers of polymer processing automation systems in India. The company employs about 250 people and operates a manufacturing plant with a total area of about 150,000 sq. ft. (further expanded by an additional 60,000 sq. ft. in late 2024) for the production of centralized vacuum conveying systems, drying systems, gravimetric dosing systems, chillers and mold temperature control units, crystallizers, conveyor belts, granulators and other polymer processing machinery.

Piovan S.p.A. - Tax Audit

As part of the ordinary control planned activities to which all large taxpayers are normally subject to, Piovan S.p.A. was the subject of a tax audit carried out by the Guardia di Finanza (“GdF”) in relation to FY from 2017 to 2022.

The tax audit commenced on May 2, 2023, and ended on December 12, 2023, with issuance of a tax audit report (so called Processo Verballe di Constatazione – “PVC”) relating to the FYs 2017–2021 and, subsequently, on January 30, 2024, with the issuance of a PVC related to FY 2022.

The findings formulated in the PVC refer almost exclusively to the tax profile of the economic relationships in place with the Group subsidiaries both in Italy and foreign. In particular, the main dispute relates to the alleged failure to charge back costs incurred by the Company considered partially expressive of activities performed in favor of other companies in the group.
Following issuance of PVC, the Agenzia delle Entrate (“Tax Authority”) notified the Company with an invitation to appear, pursuant to art. 5 of Legislative Decree 218/97, with reference to FY 2017, which was followed by separate requests for the Company to access the re-hearing compromise procedure (“Procedura di accertamento con adesione”) for the subsequent years from 2018 to 2022, which were accepted by the Tax Authority for the years 2018, 2019, 2020, and 2021 with separate invitations to appear. This was aimed at instituting an interaction with the Tax Authority following the PVC issued by the GdF.
In the context of the above interaction, the Company believes to effectively have demonstrated how the financial performance of the foreign distribution companies - all operating in countries with ordinary taxation - are objectively contained within the benchmark range, quantified through suitable market analyses (the validity of which was confirmed by the GdF itself), and indeed are positioned around the average market value range.

In March 2024, due to the approaching expiring of the assessment deadlines, Piovan S.p.A. was served with a *Verbale di Accertamento* – (“Tax Assessment Notice”) with respect to FY 2017, which substantially reflected the findings already included in the PVC received at the end of 2023.
Subsequently, on May 20, 2024, the Company filed its own appeal against the Tax Assessment Notice for 2017 with a request for an interim suspension and a public hearing before the Court of Tax Justice of Venice (the “Court”). On July 26, 2024, the same Court accepted the request for precautionary suspension promoted by the Company in relation to the Tax Assessment Notice for FY 2017, recognizing, in the Company’s favor the so called “***fumus boni iuris***” on multiple grounds and suspending the payment of

approximately €2.4 million requested by the authorities on a provisional basis pending judgment, without the need to present any bank guarantee. The hearing for the discussion on, initially set for October 25, 2024, has been postponed to December 20, 2024 at the request of the provincial office of the Tax Authority, to which the Company did not oppose. The hearing, held at the Court of Tax Justice in first instance, ordered (i) that the appeal filed by the Company be accepted (ii) the consequent annulment of the contested Tax Assessment Notice, ordering the Tax Authority to reimburse the legal fees.
The aforementioned decision is not yet final and may be appealed by the Tax Authority before the Court of Tax Justice in second instance within six months from the filing of the judgment or sixty days from the possible notification.

On December 30, 2024, due to the approaching expiring of the assessment deadlines, Piovan S.p.A. was served with a Tax Assessment Notice with respect to FY 2018. Again, the notice substantially reflect the findings already included in the PVC received in late 2023. On February 26, 2025, in continuity with what done for the Tax Assessment Notice received for FY 2017, the Company filed its appeal against the Tax Assessment Notice for FY 2018 with a request for an interim suspension and a public hearing before the Court.

The Company, although confident of its reasoning and while continuing to consider the claim raised within the framework of the notices received as unfounded, also following the favorable outcome of the aforementioned application for interim suspension, continued to collaborate actively in the interlocution with the Tax Authority, in order not to preclude a possible settlement solution, covering the entire period under dispute.
In this regard, following in-depth analysis and internal audits, which took place with the support of appointed experts, it was decided to proceed with the preparation of an estimate of the potential liability related to this dispute, which hypothesizes, among others assumptions, that the findings contained in the PVC - for all the years considered - will be requalified into "*transfer pricing*" disputes. On the basis of these analyses, the company in the second half of 2024 made an accrual to the risks provision.

Condenso: finalist at plastic recycling awards Europe

In the first quarter of 2024, the Group continued pursuing its strategy of growth through products and solutions dedicated to recycling and the circular economy. In this regard, it should be noted that Condenso, an innovative technology of the Piovan Group, has been selected as a finalist in the "Recycling Machinery Innovation of the Year" category of the prestigious "Plastics Recycling Awards Europe 2024", a PRSE (Plastics Recycling Show Europe) event. Condenso is a product designed to condense Volatile Organic Compounds (VOCs) that are created during the production process where post-consumer plastics are used. This machinery makes it possible to obtain cleaner post-consumer polymers, such that they can be used up to 100% in the final product, even for demanding applications such as food applications - PET bottles - significantly contributing to carbon footprint reduction and environmental protection. This product allows for savings of nearly 20% in energy, a reduction in CO2 emissions, and thus the greater overall sustainability of recycling processes. Condenso promotes sustainability as it contributes to carbon footprint containment and environmental and end-consumer protection.

For Piovan Group, this is the second time in just a few years that it has achieved this prestigious milestone with its own patented technologies. This represents a further sign of the Group's strong innovative contribution and of the technology gap in the area of resin circularity and regeneration.

Payment of earnout related to the acquisition of the IPEG Group

On April 23, 2024, Piovan Group settled the earnout established as part of the acquisition of the IPEG Group, for an amount of USD 21,802 thousand. It is recalled that this amount was immediately included in Financial liabilities and therefore already included in the calculation of the Group's net financial position. This amount corresponds to the maximum contractually stipulated value. For the payment of the earn-out, the Group cash available of USD 10,000 thousand, and used USD 11,802 thousand from a loan in dollars stipulated by the Parent Company.

Shareholders’ AGM of April 29, 2024

On April 29, 2024, the shareholders, at the AGM to approve the 2023 Annual Accounts, also:

- approved the distribution of a dividend for Euro 13,803,891.75 (Euro 0.27 per share with profit rights, excluding the treasury shares of the Company).
- approved the purchase and disposal of treasury shares: the Shareholders’ AGM conferred to the Board of Directors of the Company the authorization to purchase and make use of treasury shares with prior revocation of the previous authorization of the Shareholders’ AGM of April 27, 2023, as detailed in the Directors’ report published on the Company’s website at www.piovan.com, in the Investors/Investor Relations/Shareholders’ AGM section.
- appointed the new Board of Directors: with the conclusion of the mandate of the Board of Directors of the company, the Shareholders’ AGM appointed the new Board of Directors, which shall remain in office for financial years 2024, 2025 and 2026, and whose number of members was set at 7, as follows:
    - Nicola Piovan - Executive Chairman
    - Filippo Zuppichin - Director
    - Marco Maria Fumagalli - Independent Director
    - Manuela Grattoni - Independent Director
    - Alessandra Bianchi - Independent Director
    - Mario Cesari - Independent Director
    - Antonella Lillo - Independent Director
- appointed the new Board of Statutory Auditors: with the conclusion of the mandate also of the Board of Statutory Auditors of the company, the Shareholders’ AGM appointed the new Board of Statutory Auditors, which shall remain in office for financial years 2024, 2025 and 2026. The members of the Board of Statutory Auditors are:

- Carmen Pezzuto – Chairperson of the Board of Statutory Auditors
- Luca Bassan - Statutory Auditor
- Diletta Selvaggia Elena Stendardi - Statutory Auditor
- Stefania Targa - Alternate Auditor
- Federica De Pieri - Alternate Auditor

Share capital increase in Fea Ptp S.r.l.

On July 25, 2024, a Shareholders AGM of FEA was held to discuss the provisions pursuant to Article 2482-*ter* of the Civil Code. The AGM promoted a capital increase designed to restore equilibrium to the company's balance sheet, covering past losses and reconstituting the share capital to levels that meet the legal limit. This capital increase was fully subscribed by Piovan S.p.A., which participated through a payment of Euro 3,500 thousand. As a result, it holds 100% of the shares of FEA.

NuVu headquarters expansion

On December 3, 2024, NuVu inaugurated at its headquarters in Ahmedabad (in the Gujarat region of India) a new production area within its factory: an operational space of more than 60 thousand square feet that actually increases the factory's efficiency and production capacity, as it will house new assembly lines and the logistics center for shipments.
The extension of the existing space corresponds to furthers company's growth plan, enabling NuVu to meet increased demand and the need to reduce delivery times, and confirms the importance of the Indian region to the Group.

Sale of the controlling interest in Piovan S.p.A. by Pentafin S.p.A. and related events

Announcement of the transaction

On July 19, 2024, Automation Systems S.p.A. (the "Purchaser"), which is indirectly held by the Investindustrial VIII SCSp fund ("Investindustrial VIII" or the "VIII Fund"), signed a sale and purchase agreement (the "Sale and Purchase Agreement") with Pentafin S.p.A. ("Pentafin") involving a stake representing 58.35% of Piovan S.p.A.'s share capital, corresponding to 61.17% of Piovan S.p.A.'s share capital, net of the 2,474,475 treasury shares.
The agreed price per share sold is Euro 14.00 (*cum dividend*) and implies a market capitalization for the Company of approximately Euro 716 million. In particular, the Sale and Purchase Agreement stipulates that the Purchaser will purchase 31,275,541 ordinary shares of Piovan from Pentafin (the "Sale and Purchase"). The total consideration for the Sale and Purchase is therefore approximately Euro 438 million, which will be paid by the Purchaser to Pentafin in one lump sum upon execution of the Sale and Purchase (the "Closing").

The Closing is conditional on the receipt, by the end of the ninth month subsequent to July 19, 2024, the authorizations required by the relevant antitrust authorities and the authorizations regarding control over foreign investments (“Golden Power”).

On the same date, Automation Systems Collective S.C.A., which is indirectly held by the VIII Fund, and Pentafin, signed an investment agreement governing, inter alia, Pentafin's commitments to re-invest at Closing in the holding company that indirectly holds 100% of the Purchaser (the "Investment Agreement"). In accordance with the Investment Agreement, on Closing: (i) Pentafin shall become the owner of an indirect investment in the Purchaser representing 25% of the share capital[1]; and (ii) the parties shall sign a shareholder agreement (the “Shareholder Agreement”) designed to regulate Piovan’s corporate governance and the transfer of the relevant shareholdings in accordance with market practice. An excerpt of the Shareholder Agreement has been published on the Company’s website and in the relevant media outlets as required by law.

Also on July 19, 2024, the Purchaser signed a sale and purchase agreement with 7-Industries Holding B.V. for the purchase of 3,467,698 ordinary Piovan S.p.A. shares, representing 6.47% of Piovan S.p.A.'s share capital, and 6.78% excluding the 2,474,475 treasury shares. The price per share sold is Euro 14.00, (i.e., equal to the price established for the Sale and Purchase Agreement with Pentafin). The closing of the sale and purchase with 7-Industries Holding B.V. is conditional on the Closing of the Sale and Purchase with Pentafin.

Resignation of members of the Board of Directors, effective upon the completion of the sale and purchase transaction between Automation Systems S.p.A. and Pentafin S.p.A. regarding the controlling interest in Piovan S.p.A.

On July 31, 2024, following the disclosure made to the market on July 19, 2024, the current members of the Company's Board of Directors - Nicola Piovan, Filippo Zuppichin, Marco Maria Fumagalli, Manuela Grattoni, Alessandra Bianchi, Mario Cesari, and Antonella Lillo - have announced their resignation from office, effective once the new Board of Directors takes office upon execution of the Sale and Purchase transaction. The resignations are functional to allow the appointment of a new administrative body that can reflect the future control structure of the Company. The Board of Directors’ meeting of August 7, 2024 therefore gave a mandate to the Executive Chairman to call the Shareholders’ Meeting to appoint a new Board of Directors.

[1] *Subsequently amended into an indirect holding of 20% of the share capital of the Purchaser*

Shareholders’ AGM of October 1, 2024

On October 1, 2024, following the resignation of all members of the Board of Directors, as described above, the Company's Shareholders' AGM appointed a new Board of Directors, with effect subject to the Closing, which will remain in office until the Shareholders' Meeting convened to approve the financial statements at December 31, 2025, and whose number of members was set at 7.
The members of the Board of Directors, drawn from the slate presented by the majority shareholder Pentafin S.p.A. – which holds 58.350% of the share capital of Piovan S.p.A. – and elected with the favorable vote of 98.996% of the votes present or represented at the Shareholders’ Meeting, corresponding to 82.306% of the total voting rights, are:

- Nicola Piovan - Executive Chairman
- Filippo Zuppichin - Director
- Roberto Ardagna - Director
- Chiara Arisi - Director
- Elena Biffi - Independent Director
- Michela Cassano – Independent Director
- Mario Cesari - Independent Director

The Shareholders’ Meeting also appointed Mr. Nicola Piovan as the Executive Chairman of the Board of Directors. The Directors Elena Biffi, Michela Cassano and Mario Cesari have declared that they meet the independence requirements of the combined provisions of Article 147-ter, paragraph 4, and Article 148, paragraph 3, of the CFA and Recommendation 7 of the Corporate Governance Code approved by the Corporate Governance Committee of Borsa Italiana S.p.A. (the "Corporate Governance Code").

The Shareholders' Meeting also set a total remuneration for the entire Board of Directors at a maximum of Euro 1,550,000.00 gross per annum for each of the two fiscal years of the term of office. This amount is to be understood to include the remuneration for the Executive Directors, to be allocated by the Board of Directors, which will deliberate post-Closing.

Following the entry into office of the new Board of Directors, with the Closing, the new Board of Directors will in fact need to meet to resolve, inter alia (i) the appointment of the Chief Executive Officer, (ii) the verification of the absence of causes of ineligibility, disqualification and incompatibility, and the possession by all Directors of the requirements of integrity established by current regulations, as well as the independence requirements in for the directors who have declared such requirements (iii) the appointment of the Lead Independent Director and the members of the Company's internal Board committees.

Update on the sale of the controlling interest in Piovan S.p.A. by Pentafin S.p.A.

On November 11, 2024, a press release was issued at the request of the Purchaser regarding an update on the issuance of the necessary approvals to reach the Closing. Specifically:

- with reference to the authorizations required by the compotent anti-trust authorities, these were granted without any prescription.
- with reference to the notification carried out pursuant to Article 2 of Decree-Law No. 21 of 2012 ("Golden Power"), the Italian Prime Minister’s Office, with a decree issued on November 8, 2024:
  - released the authorization to the Acquisition without exercising the special powers, but

communicated that both the package of guarantees[2] necessary to obtain the debt resources to finance the transaction, and the possible mergers between the Purchaser and/or its sole shareholder Automation Systems Investments S.p.A. and/or the Issuer, shall be subject to a separate and further notification pursuant to the Law Decree No. 21/2012.

In the same communication, the Purchaser informed that it would proceed as soon as possible with the notification concerning both the guarantee package and the possible mergers. The Purchaser also reported that it had received certain requests for clarification from the Austrian Foreign Investment Control Authority with respect to Piovan Central Europe GmbH, an Austrian-registered subsidiary of Piovan and engaged in the sale of Piovan Group products in Austria and the Eastern European markets, in order to ascertain whether or not there is an obligation to notify the transaction under Austrian law.

Issuance of Golden Power authorization by the Prime Minister's Office and notification of the transaction to the competent Austrian authority for control of foreign investments

On December 26, 2024, a press release was issued at the request of the Purchaser regarding an update on the additional and separate notification made by the Purchaser, pursuant to Article 2 of the “Golden Power” Decree-Law No. 21/2012 mentioned above, concerning the package of guarantees functional to obtaining debt resources to meet the financial coverage of the transaction and possible mergers. Specifically, the Italian Prime Minister's Office, in an order communicated on December 24, 2024, released the authorization without exercising the special powers. Therefore, the condition precedent regarding the Italian rule on Golden Power has been met.

The Purchaser in the same communication also announced that it had notified - in agreement with the seller Pentafin S.p.A. - on November 15, 2024, the transaction to the competent Austrian authority under Austrian law on foreign investment control with respect to Piovan Central Europe GmbH.

For further updates regarding the events described in these paragraphs - please refer to the "**Subsequent Events**” section.

[2] *They consist of a right of pledge on the Offeror’s shares and the Automation Systems Investments S.p.A.’s shares, as well as, subject to the fulfilment of certain conditions precedent, a right of pledge on the shares held by the Offeror in Piovan in favour of the lenders*

Group performance overview

The paragraph below “Alternative performance measures”, to which reference should be made, presents the various performance measures for the Group and used in this document. Compared with the Annual Financial Report at December 31, 2023, the Adjusted Profit was introduced as a new indicator.
It should be noted that the statement of profit and loss of 2024 includes the results of NuVu from February 1, 2024, the date on which the acquisition of control was completed. In 2023, NuVu was considered a joint venture and valued by the equity method. Therefore, 50% of the of the associate’s FY 2023 result was included as a specific line item in the statement of profit and loss.

Economic performance of the Group

A number of financial KPIs for the Piovan Group are reported below:

(amounts in €'000)	Economic performance indicators					
	2024(*)	% on total revenues and other income	2023	% on total revenues and other income	2024 vs 2023	%
Revenue	561,826	*98.3%*	559,099	*98.0%*	2,727	*0.5%*
Other revenue and income	9,939	*1.7%*	11,422	*2.0%*	(1,483)	*(13.0%)*
TOTAL REVENUE AND OTHER INCOME	**571,765**	*100.0%*	**570,521**	*100.0%*	**1,244**	*0.2%*
Adjusted EBITDA	**78,536**	*13.7%*	**78,850**	*13.8%*	**(314)**	*(0.4%)*
EBITDA	**73,664**	*12.9%*	**78,415**	*13.7%*	**(4,751)**	*(6.1%)*
OPERATING PROFIT	**58,432**	*10.2%*	**64,655**	*11.3%*	**(6,223)**	*(9.6%)*
PROFIT BEFORE TAXES	**64,255**	*11.2%*	**64,899**	*11.4%*	**(644)**	*(1.0%)*
Income taxes	17,921	*3.1%*	15,989	*2.8%*	1,932	*12.1%*
Adjusted NET PROFIT	47,739	*8.3%*	48,284	*8.5%*	(545)	*4.1%*
NET PROFIT	**46,334**	*8.1%*	**48,910**	*8.6%*	**(2,575)**	*(5.3%)*
Attributable to:						
Owners of the parent	**44,512**	*7.8%*	**49,400**	*8.7%*		
Non-controlling interests	**1,822**	*0.3%*	**(490)**	*(0.1%)*		
Basic earnings per share	**0.87**		**0.97**			
Diluted earnings per share	**0.86**		**0.96**			
Basic earnings per share - adjusted	**0.93**		**0.62**			
Diluted earnings per share - adjusted	**0.92**		**0.61**			

(*)Please note that NuVu has been included in the consolidation scope as of February 1, 2024.

Revenue

Piovan Group revenue in 2024 totaled Euro 561,826 thousand, substantially in line with the 2023 revenue of Euro 559,099 thousand (+0.5%).

Recognizing the effect of the acquisition of NuVu retroactively to January 1, 2024, the 2024 revenue would have amounted to Euro 563,104 thousand, increasing 0.7% on 2023.
At like-for-like scope, excluding the revenue of NuVu, consolidated from February 1, 2024, 2024 Revenue would have amounted to Euro 543,028 thousand, decreasing 2.9% on 2023.

Revenue calculated on a like-for-like basis (i.e. average exchange rate in 2023) would have increased by Euro 2,472 thousand at Euro 564,299 thousand and rising by 0.9% on 2023. The exchange effect on revenue was mainly due to the US dollar against the Euro, the movement of the Brazilian real, of the Turkish lira, and, to a lesser extent, to the Renminbi.

Revenue by market and geographical area

The breakdown of revenue by market is as follows:

€/000	2024(*)	%	2023	%	Change	Change %
Technical Polymers	422,510	*75.2%*	430,098	76.9%	(7,588)	*(1.8%)*
Food & Industrial Applications	51,384	*9.1%*	42,451	7.6%	8,933	*21.0%*
Services	87,932	*15.7%*	86,550	15.5%	1,382	*1.6%*
Revenue	**561,826**	***100.0%***	**559,099**	**100.0%**	**2,727**	***0.5%***

(*) NuVu has been included in the consolidation scope as of February 1, 2024.

Revenue by market in 2024 indicates:

- Technical Polymers systems revenue decreased by approximately 1.8%. The trend is an improvement on H1 2024. This reduction on 2023 relates to the overall market, which from mid-2023, as a result of the relatively high interest rates, was generally weaker in most application sectors, with a greater impact on the consumer goods sector, which historically has been more cyclical, and construction;

- Food & Industrial Applications revenue however reports a 21.0% increase on 2023, reflecting the acceleration of development and production on a number of important projects. In particular, thanks to the intake of orders for major projects and the expansion of the customer base, the Food sector presents a high backlog, which is expected to translate into further improvements at the beginning of 2025.

- the Services division reports a revenue increase of 1.6% on the same period of the previous year, confirming the Group's development expectations and reflecting the benefits of the Group strategy focused on growing this segment.

The breakdown of revenue by geographical area is as follows:

€/000	2024(*)	%	2023	%	Change	Change %
EMEA	197,048	35.1%	185,179	33.1%	11,869	6.4%
ASIA	70,090	12.5%	53,887	9.6%	16,203	30.1%
NORTH AMERICA	277,596	49.4%	299,975	53.7%	(22,379)	(7.5%)
SOUTH AMERICA	17,092	3.0%	20,057	3.6%	(2,965)	(14.8%)
Revenue	**561,826**	**100.0%**	**559,099**	**100.0%**	**2,727**	**0.5%**

(*) NuVu has been included in the consolidation scope as of February 1, 2024.

The EMEA area reports a 6.4% improvement on 2023, thanks to the winning of additional market share by the Group and thanks to the expansion of the food & powders area.

North America revenue, on the other hand, contracted 7.5% on 2023, reflecting the decline in orders from the second half of 2023, as a result of a general market contraction.

The Asian market, up 30.1% on 2023, benefits from the contribution of the consolidation of NuVu and the recovery of Chinese operations following the completion of the temporary transfer of the production plant of the Chinese subsidiary, which resulted in the postponement of a number of shipments to the following quarter. The region's backlog remains satisfactory.
Finally, the South American market contracted 14.8%, reflecting the general drop in demand.

Other revenue and income

Other revenue and income decreased on 2023 at Euro 9,939 thousand (Euro 11,422 thousand in the previous year). Recognizing the effect of the acquisition of NuVu retroactively to January 1, 2024, Other revenue and income for the Piovan Group for 2023 would have been Euro 9,960 thousand (-12.8%).

At like-for-like scope, excluding the Other revenue of NuVu, consolidated from February 1, 2024, 2024 Other revenue would have amounted to Euro 9,463 thousand, decreasing 17.2% on 2023.

Other revenue and income included in 2023 an insurance reimbursement of Euro 1,018 thousand received by a subsidiary for damages incurred during the previous year in relation to an order.

Total revenue and other income

Piovan Group Total revenue and other income in 2024 totaled Euro 571,765 thousand, slight growth on Euro 570,521 thousand in 2023 (+0.2%). Recognizing the effect of the acquisition of NuVu retroactively to January 1, 2024, the 2024 Other revenue and income would have amounted to Euro 573,064 thousand, increasing 0.4% on 2023.

At like-for-like scope, excluding the Total revenue and other income of NuVu, consolidated from February 1, 2024, Total revenue and other income for 2024 would amount to Euro 552,491 thousand, contracting 3.2% on 2023.

Contribution margin

The contribution margin is calculated as the sum of: total revenues and income less raw material purchases, components, goods and inventory changes and less variable production costs (external processing, transport costs, intermediation and commissions, as illustrated in Note [30] Service Costs).

€/000	2024(*)	2023
Total revenues and other income	571,765	570,521
Costs of raw materials, components and goods and changes in inventories	245,583	248,653
Variable services expenses	62,552	67,939
Contribution margin	**263,630**	**253,929**
% on total revenues and other income	**46.1%**	**44.5%**

(*) NuVu has been included in the consolidation scope as of February 1, 2024.

The contribution margin in 2024 was Euro 263,630 thousand, compared to Euro 253,929 thousand in 2023. The margin on total revenue and other income was 46.1% (44.5% in 2023).
In 2023, the figure partly reflected the recognition of certain additional costs related to a contract in the Food Area for one of the subsidiaries.

Recognizing the effect of the acquisition of NuVu retroactively to January 1, 2024, for 2024 the Piovan Group contribution margin would total Euro 264,100 thousand (+ 4.0% on the previous year).

At like-for-like scope, excluding therefore the contribution of NuVu, this indicator totaled Euro 256.430 thousand (46.4% of total revenue and other income).

Research and Development Costs

In 2024, the Piovan Group incurred research and development expenses amounting to Euro 23.361 thousand, equal to 3.75% oof Total revenue and other income (Euro 20,657 thousand in 2023, 3.6% of Total revenue and other income). In 2024, Euro 21.450 thousand concerned personnel operating in R&D and engineering, entirely expensed to the statement of profit and loss, 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.

EBITDA

EBITDA in 2024 totaled Euro 73,664 thousand, decreasing 6.1% on Euro 78,415 thousand in 2023, with a margin on Total Revenue and other income of approximately 12.9% (13.7% in 2023), impacted by (i) a number of non-recurring costs, relating mainly to M&A and integration projects, the transfer to the Chinese facility and the costs related to the tax dispute and (ii) increased personnel expense, partly due to the revaluation of the incentive plans following the increase in the Piovan share price from Euro 10.70 per share in December 2023 to Euro 13.90 per share in December 2024, partly due to the announcement regarding the transaction for the sale of the controlling interest in Piovan S.p.A. by Pentafin S.p.A., as well as their acceleration as resolved by the Board of Directors following the change of control over Piovan S.p.A.. This acceleration resulted in the shortening of the vesting period and thus on the accrual in 2024 of the cost related to the entire plan. The company estimates the total effect of this increase on personnel expense recorded in 2024 to be approximately Euro 3.3 million.

Recognizing the effect of the acquisition of NuVu retroactively to January 1, 2024, for 2024 Piovan Group EBITDA would total Euro 73,826 thousand (-5.9% on the previous year).

At like-for-like scope, excluding therefore the contribution of NuVu, consolidated from February 1, 2024, the item for 2024 totaled Euro 70,270 thousand, reducing by approximately 10.4% on 2023. The EBITDA margin at like-for-like scope was 12.9%.

EBITDA, although reducing as a result of the revenue contraction, maintained its margin, mainly thanks to the good margin on the orders executed in 2024 and to a reduction in raw material costs.

Adjusted EBITDA

This figure is calculated by excluding certain non-recurring items, as described in greater detail in the paragraph “Alternative performance measures”.
Adjusted EBITDA in 2024 totaled Euro 78,536 thousand, for a margin on total revenues and other income of 13.7% (substantially in line with the Adj. EBITDA in 2023).
Recognizing the effect of the acquisition of NuVu retroactively to January 1, 2024, Adjusted EBITDA in 2024 would amount to Euro 78,699 thousand, slightly contracting on 2023 by 0.2%.
Adjusted EBITDA in 2024 therefore, excluding the contribution of NuVu, for a like-for-like comparison, amounts to Euro 75,143 thousand, for a margin on total revenue of 13.6%, decreasing 4.7% on the Adj. EBITDA in 2023.

A reconciliation of EBITDA and adjusted EBITDA is shown in the table below:

€/000	2024	2023
EBITDA	**73,664**	**78,415**
Non-recurring expenses related to acquisitions	363	381
Non-recurring expenses and/or related to reorganizations	782	-
Personnel expenses related to incentive plans	3,291	-
Non-recurring expenses related to Chinese plant	436	54
Non-recurring expenses related to acquisitions, reorganizations and others	***4,872***	***435***
Adj. EBITDA	**78,536**	**78,850**

EBIT

EBIT totaled Euro 58,432 thousand, decreasing on Euro 64,655 thousand in 2023. The EBIT margin on total revenue and other income came to 10.2%, compared to 11.3% for the comparative period. As described above for EBITDA, EBIT reflects certain non-recurring costs incurred in the period.

The EBIT result reflects the effects of the allocation of the price paid (purchase price allocation or "PPA") of IPEG and of the NuVu's PPA, which led to the recognition of amortization of intangible assets of Euro 5,005 thousand in 2024 (Euro 3,922 thousand in 2023, which included the IPEG PPA only).

Excluding the effects of the PPA as described above, EBIT would have been Euro 63,437 thousand, for a margin on total revenues and other income of 11.2% (Euro 68,577 thousand in 2023 for a margin of 12% on total revenue and other income).

Recognizing the effect of the acquisition of NuVu retroactively to January 1, 2024, Adjusted EBIT in 2024 would have been Euro 58,594 thousand, reducing 9.4% on 2023.

Excluding the contribution therefore of NuVu, consolidated from February 1, 2024, EBIT in 2024 amounted to Euro 56,280 thousand, decreasing 13% on the previous year.
As described above for EBITDA, EBIT reflects certain non-recurring costs incurred in the period.

Profit for the year

The profit for 2024 of Euro 46,334 thousand decreased on Euro 48,910 thousand for 2023. The margin on total revenue and other income was 8.1% (8.6% in 2023).
The 2023 profit benefitted from the income from the sale of Toba PNC, while in 2024 the Group benefited from income of Euro 6,393 thousand from the revaluation at fair value of the holding initially undertaken in NuVu (50%), which subsequently entered the consolidation scope. In addition, as outlined previously, an allocation was made to the risks provision related to the tax dispute.
Excluding the amortization relating to the IPEG PPA and the NuVu PPA, in the amount of Euro 5,005 thousand (Euro 3,922 thousand in 2023, which included IPEG only), the related tax effect of Euro 801 thousand (Euro 2,273 thousand in 2023), the net profit would be Euro 50,538 thousand (Euro 49,221 thousand in 2023), for a margin on total revenue and other income of 8.7% (8.6% in 2023).

In the February-December 2024 period, NuVu reported a net profit of Euro 3,265 thousand, which reduces to Euro 1,904 thousand considering the effects of the PPA.

Adjusted Profit for the period

This measure was introduced in 2024 and is calculated by excluding certain non-recurring items or non-core activities from the profit for the period.

The Adjusted Profit for 2024 totaled Euro 47,739 thousand, for a margin on total revenue and other income of 8.3%. This indicator in 2023 would have amounted to Euro 48,284 thousand, with a margin on total revenue and other income of 8.5%.

A reconciliation of the Profit and the Adjusted Profit is presented in the table below:

€/000	2024	2023
Net Profit	**46,334**	**48,910**
Non recurring expenses/incomes included in EBITDA	4,872	435
Income from the NuVu acquisition	(6,393)	0
Cumulative translation reserve Nuvu	475	0
Income from the sale of Toba	-	(1,337)
Goodwill write-off	-	276
Accrual for tax risk	2,450	-
Adjusted Net Profit	**47,739**	**48,284**

Earnings per share and diluted earning per share

Earnings per share was Euro 0.87 in 2024 compared to Euro 0.97 in the previous year. Diluted earnings per share was Euro 0.86 (Euro 0.96 in 2023).

Financial performance of the Group

The financial structure of the Piovan Group as at December 31, 2024, is summarized below.

Group net financial position

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

€/000	31.12.2024	31.12.2023
A. Cash	79,090	79,285
B. Cash equivalents	3,570	13,500
C. Other current financial assets	108	6,556
D. Liquidity (A+B+C)	**82,768**	**99,341**
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	(5,537)	(23,906)
F. Current portion of non-current financial debt	(32,462)	(36,567)
G. Current financial indebtedness (E+F)	**(37,999)**	**(60,473)**
H. Net current financial indebtedness (G+D)	**44,769**	**38,868**
I. Non-current financial debt (excluding current portion and debt instruments)	(76,266)	(94,121)
J. Debt instruments	-	-
K. Non-current trade and other payables	(898)	(2,500)
L. Non-current financial indebtedness (I+J+K)	**(77,164)**	**(96,621)**
M. Total net financial position (H+L)	**(32,395)**	**(57,753)**

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

- regarding provisions, see Note [19] – Employee benefit plans and Note [20] – Provisions for risks and charges, which include sums of this type;

- regarding bank guarantees, see the section "Commitments and Risks" in the Notes;

- the Company at December 31, 2024 had recognized liabilities for options granted to non-controlling interests in the amount of Euro 26,974 thousand (see Note [20]);.

- commitments related to lease agreements that are not recognized as liabilities in accordance with IFRS 16 total approximately Euro 4,217 thousand.

"Current financial debt (including debt instruments, but excluding the current portion of the non-current financial debt)" at December 31, 2023 included the fair value of the earnout of USD 21,802 thousand and corresponds to the maximum contractual value, which was settled at the end of April 2024, based on the contractual agreements. For the payment of the earn-out, cash available to the Group of USD 10,000 thousand was utilized, and for USD 11,802 thousand the loan in dollars raised in April 2024 by the Parent Company.

The Group's net financial position at December 31, 2024 was a debt position of Euro 32,395 thousand, improving on December 31, 2023, which reported a debt position of Euro 57,753 thousand, with the generation of net cash of Euro 25,358 thousand in 2024, despite dividend payments by Piovan S.p.A. of approximately Euro 13,804 thousand and investments of approximately Euro 13,837 thousand.
Excluding the effects of IFRS 16, the Group's net financial position at December 31, 2024 was a debt of Euro 15,168 thousand, compared to Euro 40,455 thousand at December 31, 2023, with a net cash generation of Euro 25,287 thousand.

Investments for 2024 totaled Euro 13,837 thousand (Euro 9,721 thousand in 2023).
Financial debt includes medium/long-term loans for Euro 94,838 thousand, of which Euro 32,462 thousand repayable within 12 months and the remaining Euro 62,376 thousand medium/long-term. These loans mainly refer to the parent company and include:

- a loan signed in January 2022 to finalize the acquisition of the IPEG group, the residual value of which is Euro 70,000 thousand at December 31, 2024. This loan had an original value of Euro 100 million, a six-year term and an interest rate of 1.335%.
- a loan signed in April 2024 for USD 15,000 thousand (Euro 13,398 thousand), used partly for the earnout payment as explained in greater detail above. This loan matures at 63 months and is repayable in semi-annual instalments with a constant principal amount.

Both of these loans calls for the Group to meet a series of financial and non-financial covenants in line with market practice, particularly in relation to the debt-to-EBITDA and debt-to-equity ratios (as defined in the related agreement). These parameters are tested on a semi-annual basis.
At December 31, 2024, Group performance was amply within the covenants.

The purchase on January 28, 2025 by Automation System S.p.A. of a 64.82% stake in the share capital of Piovan S.p.A. resulted in a change of control of the Piovan Group. This circumstance represents one of the early repayment clauses of the loans signed by Piovan S.p.A.. The parent company requested and obtained waivers from all the lending banks in terms of the early repayment, extending the maturity to April 30, 2025. This timeframe is consistent with the Company's delisting process. Subsequently, credit lines guaranteed by the banks that are financing the entire acquisition transaction by Automation System S.p.A. will be made available to the Group to replace the currently existing lines. Specifically, an amortizing credit line of up to Euro 85,000,000 and a revolving credit line of up to Euro 80,000,000 will be made available to refinance the existing debt at the Piovan and Group level, as well as the related transaction costs.

Net non-current assets

Net non-current assets represented by property, plant and equipment, right-of-use assets, intangible assets, equity investments, deferred tax assets and other non-current assets amounted to Euro 243,073 thousand; the change on the previous year is due to the combined effect of amortization, depreciation and write-downs and capital expenditure besides the first consolidation of NuVu.

€/000	31.12.2024	31.12.2023
Property, plant and equipment	64,320	50,887
Right of Use (IFRS 16 - Lease)	16,511	16,715
Intangible assets	146,553	120,315
Equity investments	1,530	11,426
Other non-current assets	617	570
Deferred tax assets	13,542	11,913
Net non-current assets	**243,073**	**211,826**

Investments

Total investments for the year under review came to Euro 13,387 thousand (Euro 9,721 thousand in 2023). Non-recurring investments amounted to Euro 9,524 thousand (Euro 5,419 thousand in 2023) or 1.7% of Total revenue and other income. These mainly concern: (i) investments for the construction of the new factory in China; (ii) a residual portion of the project to expand the production structure of the subsidiary FEA, initiated in 2023 and completed in 2024; (iii) the investments in the construction of a new factory in India by NuVu.

Net trade capital and net working capital

Net working capital for the year ended December 31, 2024, was as follows:

€/000	31.12.2024	31.12.2023
Trade receivables	79,974	79,979
Inventories	88,425	85,341
Contract assets for work in progress	16,392	8,828
Trade payables	(75,059)	(71,668)
Advance from customers	(37,220)	(37,445)
Contract liabilities for work in progress	(3,136)	(4,748)
Net trade capital	**69,376**	**60,287**
Tax receivables	9,121	6,267
Other current assets	11,866	13,163
Tax liabilities and social security contributions	(12,038)	(11,388)
Other current liabilities	(28,493)	(27,122)
Net working capital	**49,832**	**41,207**

Net working capital increased on December 31, 2024. This increase is mainly due to the increase in assets/liabilities for contract work-in-progress for the advancement of a number of orders, the increased inventories, partially compensate by the payment timing of trade payables. The increase in inventories is mainly attributable to the first consolidation of NuVu, net of which inventories would have shown a decrease linked to more efficient warehouse management.

Medium/long term liabilities

At December 31, 2024, medium/long-term liabilities increased on 2023.

Net non-current liabilities (amounts in €'000)	31.12.2024	31.12.2023
Employee benefits plans	5,619	5,635
Provision for risks and charges	8,233	5,486
Other non-current liabilities	898	2,500
Deferred tax liabilities	15,781	12,822
Net non-current liabilities	**30,531**	**26,443**

The most significant changes were mainly due to the increase of deferred tax liabilities following the allocation of NuVu, net of the reclassification from non-current to current of payables for employee incentive plans. While provisions for risks include the provision for tax risks described above.

Cash conversion

The cash conversion index is calculated as adjusted EBITDA (Euro 78,536 thousand in 2024) less recurring investments (Euro 4,313 thousand in 2024) as a percentage of adjusted EBITDA, and came to 94.5% in 2024 (94.5% in the previous year).

Piovan S.p.A. performance overview

The separate financial statements of the Parent Company, which we submit for your approval, reports for the year 2024 "Total revenues and other income" of Euro 137,181 thousand and a net profit of Euro 17,473 thousand.

As previously illustrated, the company presents a single Directors' Report for the separate financial statements and for the consolidated financial statements and therefore the main events relating to the parent company were implicitly outlined in the report on the Group performance.

Economic performance of Piovan S.p.A.

€/000	Economic performance indicators					
	2024	% on total revenues and other income	2023	% on total revenues and other income	2024 vs 2023	%
Revenue	131,925	96.2%	133,490	95.9%	(1,565)	(1.2%)
Other revenue and income	5,256	3.8%	5,712	4.1%	(456)	(8.0%)
TOTAL REVENUE AND OTHER INCOME	**137,181**	**100.0%**	**139,202**	**100.0%**	**(2,022)**	**(1.5%)**
EBITDA	**21,640**	**15.8%**	**26,026**	**18.7%**	**(4,386)**	**(16.9%)**
OPERATING PROFIT	**19,057**	**13.9%**	**23,557**	**16.9%**	**(4,500)**	**(19.1%)**
PROFIT BEFORE TAXES	**25,260**	**18.4%**	**21,013**	**15.1%**	**4,247**	**20.2%**
Income taxes	7,787	5.7%	6,239	4.5%	1,548	24.8%
NET PROFIT	**17,473**	**12.7%**	**14,774**	**10.6%**	**2,699**	**18.3%**
Basic earnings per share	**0.34**		**0.29**			
Diluted earnings per share	**0.34**		**0.29**			

Revenue

The Revenue of the Parent Company Piovan S.p.A. in 2024 amounted to Euro 131,925 thousand, decreasing on Euro 133,490 thousand in 2023 (-1.2%).

Revenue by market and region are described below.

Revenue by market and region

€/000	2024	%	2023	%	Changes	%
Technical Polymers	112,391	85.2%	115,037	86.2%	(2,645)	(2.3%)
Food & Industrial Applications	298	0.2%	171	0.1%	127	74.5%
Services	19,235	14.6%	18,282	13.7%	953	5.2%
Revenues	**131,925**	**100.0%**	**133,490**	**100.0%**	**(1,565)**	**(1.2%)**

Revenue by market indicates:

- Technical Polymers systems revenue decreased by approximately 2.3% on the previous year. This reduction on 2023 relates to the overall market, which from mid-2023, as a result of the relatively high interest rates, was generally weaker in most application sectors, with a greater impact on the consumer goods sector, which historically has been more cyclical, and construction;

- the Food & Industrial Application Systems market is marginal for Piovan S.p.A. as it is the market served by the subsidiaries Penta S.r.l. and FEA ptp S.r.l.

- the Services market posted revenue growth (+5.2%) on 2023, in line with Group forecasts.

The breakdown of revenue by geographical area is as follows:

€'000	2024	%	2023	%	Changes	%
EMEA	104,309	79.1%	105,271	78.9%	(962)	(0.9%)
ASIA	6,379	4.8%	6,213	4.7%	166	2.7%
NORTH AMERICA	17,063	12.9%	16,892	12.7%	171	1.0%
SOUTH AMERICA	4,175	3.2%	5,114	3.8%	(939)	(18.4%)
Revenues	**131,925**	**100.0%**	**133,490**	**100.0%**	**(1,565)**	**(1.2%)**

In terms of geographical areas, the EMEA remains the Company’s primary market, accounting for 79.1% of total revenue.

Other revenue and income

Other revenue and income amounts to Euro 5,256 thousand, decreased if compared to Euro 5,712 thousand in the previous year. The item mainly includes revenues for rentals and transport on sales, as well as revenues from services to group companies.

Contribution margin

The contribution margin was Euro 70,175 thousand, slightly down from Euro 70,529 thousand in the previous year, while improving as a percentage of Revenues and other income compared to 2023.

€/000	2024	2023
Total revenues and other income	**137,181**	139,202
Costs of raw materials, components and goods and changes in inventories	51,880	54,990
Variable services expenses	15,125	13,683
Contribution margin	**70,175**	**70,529**
% on total revenues and other income	**51.2%**	**50.7%**

EBITDA

EBITDA totaled Euro 21,640 thousand, reducing on Euro 26,026 thousand in the previous year (-16.9%), with a decrease of Euro 4,386 thousand. EBITDA in 2024 was impacted by (i) a number of non-recurring costs, relating mainly to M&A projects and the costs related to the tax dispute and (ii) increased personnel expense, partly due to the revaluation of the incentive plans following the increase in the Piovan share price from Euro 10.70 per share in December 2023 to Euro 13.90 per share in December 2024, partly due to the announcement regarding the transaction for the sale of the controlling interest in Piovan S.p.A. by Pentafin S.p.A., as well as its acceleration as resolved by the Board of Directors following the change of control over Piovan S.p.A.. This acceleration resulted in the shortening of the vesting period and thus the provision of the entire plan in 2024. The company estimates the effect of this increase on personnel expenses in 2024 to be approximately Euro 1.4 million.

EBIT

EBIT came to Euro 19,057 thousand, decreasing on Euro 23,557 thousand in 2023 (-19.8%), a decrease of Euro 4,500 thousand.
The EBIT Margin amounted to 13.9% of revenues, down from 16.9% for the previous year.

Profit for the year

The profit for the year of Euro 17,473 thousand increased on Euro 14,774 thousand for 2023. The increase is mainly attributable to (i) dividends distributed by subsidiaries in 2024 amounting to Euro 10,132 thousand (Euro 3,504 thousand in 2023), (ii) the fact that in 2023 a write-down was made to the investment in the subsidiary FEA ptp S.r.l. of Euro 3,134 thousand.

Earnings per share

Basic and diluted earnings per share came to Euro 0.34, compared to Euro 0.29 for 2023.

Financial performance of Piovan S.p.A.

Net financial position of Piovan S.p.A.

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

€/000	31.12.2024	31.12.2023
A. Cash	48,355	32,124
B. Cash equivalents	-	13,500
C. Other current financial assets	2,931	11,480
D. Liquidity (A+B+C)	**51,286**	**57,104**
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	(53,756)	(47,912)
F. Current portion of non-current financial debt	(32,462)	(36,567)
G. Current financial indebtedness (E+F)	**(86,218)**	**(84,478)**
H. Net current financial indebtedness (G+D)	**(34,932)**	**(27,375)**
I. Non-current financial debt (excluding current portion and debt instruments)	(61,637)	(80,800)
J. Debt instruments	-	-
K. Non-current trade and other payables	(796)	(1,754)
L. Non-current financial indebtedness (I+J+K)	**(62,433)**	**(82,554)**
M. Total net financial position (H+L)	**(97,365)**	**(109,929)**

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

- regarding provisions, see Note [18] – Employee benefit plans and Note [19] – Provisions for risks and charges, which include sums of this type;
- regarding bank guarantees, see the section “Commitments and Risks” in the Notes;
- commitments related to lease agreements that are not recognized as liabilities in accordance with IFRS 16 total approximately Euro 326 thousand.

The net financial position at December 31, 2024 was net debt of Euro 97,365 thousand, compared to net debt of Euro 109,929 thousand at the end of 2023, with cash generation in the amount of Euro 12,564 thousand.

The net financial position of the Company also includes financial receivables and payables to subsidiaries.

Operating activities offset the absorption of cash from the approval and payment of Parent Company dividends in May 2025 for approximately Euro 13,804 thousand, and the capital expenditure in 2024 of approximately Euro 1,705 thousand, in addition to the instalments paid on medium/long-term loans.

Total investments for the year under review came to Euro 1,705 thousand (Euro 2,857 thousand in 2023).

Financial debt includes medium/long-term loans, mainly relating to the Parent Company and nearly entirely in euro, for Euro 92,927 thousand, of which Euro 32,463 thousand repayable within 12 months and the remaining Euro 60,464 thousand long-term. The position includes two loans:

- a loan signed in January 2022 to finalize the acquisition of the IPEG group, the residual value of which is Euro 70,000 thousand at December 31, 2024. This loan had an original value of Euro 100 million, a six-year term and an interest rate of 1.335%.
- a loan signed in April 2024 for USD 15,000 thousand (Euro 13,398 thousand), used partly for the earnout payment as explained in greater detail above. This loan matures at 63 months and is repayable in semi-annual instalments with a constant principal amount.

Both of these loans calls for the Group to meet a series of financial and non-financial covenants in line with market practice, particularly in relation to the debt-to-EBITDA and debt-to-equity ratios (as defined in the related agreement). These parameters are tested on a semi-annual basis. At December 31, 2024, Group performance was amply within the covenants.

With regard to the subsequent events affecting the net financial position of the Company and the Group, please refer to Section 4 of the Directors' Report under "Subsequent Events".

Alternative performance measures

It should be noted that some financial information in this report illustrates intermediate profitability indicators, including the gross operating margin (EBITDA). This measure, however, is not identified as an accounting measure within IFRS and therefore the criterion for its determination may not be uniform with other groups or companies.

In this Directors' Report, various alternative performance measures or intermediary earnings measures are presented in order to permit a better assessment of operating performance and financial position. These measures, however, are not identified as an accounting measure within IFRS and therefore the criterion for their determination may not be uniform with other groups or companies.

Compared to the previous year, in 2024 it was decided to supplement the alternative performance measures monitored by the Group to include the Adjusted Profit.

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.

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.

Adjusted EBITDA

This indicator, compared to reported EBITDA calculated by the Group, is adjusted for non-core/non-recurring costs, which may include:

(a) costs for the restructuring and integration of consolidated companies and the offsetting of any provisions for restructuring and integration costs;

(b) disposal of non-current assets:

- disposals of assets related to discontinued operations;
- transaction costs, fees and expenses incurred by Group companies for negotiations of acquisitions in progress or completed in the period, including taxes, notary costs, and contract registration costs.

A reconciliation of reported and adjusted EBITDA is provided above.

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; as detailed in Note [28] Service Costs. The Contribution Margin in percentage terms is calculated on total revenues and other income.

Adjusted Profit

The Adjusted Profit, compared to the Group's Reported Profit is adjusted for non-core/one-off costs, which may include:

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

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.

Cash conversion

The cash conversion index is calculated as EBITDA less recurring investments as a percentage of EBITDA.

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.
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.
The level of the Group's exposure to the various categories of risk listed is commented upon below, along with the steps taken to mitigate these risks.

Risks associated with economic conditions

The global macroeconomic landscape can have an impact on the Company's financial performance and standing. However, the Company's and its subsidiaries presence in different geographical areas makes it possible to mitigate the overall risk and to benefit from possible improvements in some areas compared to others.
In the same way, the great geopolitical tensions surrounding the conflict between Russia and Ukraine, as well as the conflict in the Middle East which began in October 2023, may lead to significant international humanitarian and social crises with major impacts on the people in these countries, as well as on the global economy and on the Group. International sanctions, used as a deterrent for certain countries involved in the conflicts, have had a significant impact on global trade and have led to a sharp increase in production costs, particularly in terms of energy, which has fueled an inflationary spiral that central banks are seeking to control by further tightening monetary policy and increasing interest rates. The situation is constantly evolving and the Company is monitoring the markets closely to assess any impact it may have on the business.
However, it should be noted that the Group has limited exposure to the regions involved in the war (i.e. Ukraine, Palestine and Israel) both in terms of sales and purchases; therefore, assuming that the impact of the conflict remains contained to those regions, this should not have a significant impact on Group performance.
These developments, which are extraordinary in nature and extent, have had and continue to have, direct and indirect repercussions on economic activity giving rise to an environment of general uncertainty and whose evolution and effects are unforeseeable. This macroeconomic landscape may also have inevitable repercussions on the other risks described below.

Risks related to market performance

The markets in which the Group operates may be impacted, to varying degrees, by cycles of growth and contraction that cannot always be predicted. The manner in which our primary clients react to these changes in demand and pass them down throughout the value chain can have a significant impact on procurement policies, on inventory management and, consequently, on working capital needs and on our ability to adequately absorb overhead costs.

Credit risk

The Group operates on various national markets with a large number of medium and large-sized customers, mainly end customers in the various countries. Consequently, the Group is exposed to credit risk linked to the ability of its customers to settle the amounts due.

The Group applies a policy based on the credit ratings and credit limits for its customer base and the periodic issue of standard reports, in order to achieve a high degree of control over debt collection.

Each company of the Group directly manages the collection of receivables on sales made in the respective markets and their possible recovery, also through the activation of legal actions. Coordination between companies operating in the same market (e.g. Italian companies) is based on the electronic exchange of information relating to common customers and through coordination on the possible blocking of deliveries or the initiation of legal action.

The doubtful debt provision is recorded on the nominal value of the portion considered non collectible after deducting the receivables backed by bank guarantees. All guarantees are critically assessed with regard to collectability.

The Directors have not observed a deterioration in credit quality or in collection times as a result of the continuation of the Russian-Ukraine conflict and the conflict in the Middle East; therefore, it has not been necessary to make significant changes to how receivables are being managed. In addition, neither the payment terms applied nor the policies for managing credit risk have been changed, but we have prudently increased the level of monitoring of customer positions. See the Note “Trade receivables” for the aging of trade receivables.

Liquidity risk

The Group's overall debt, mainly relating to Piovan S.p.A., is principally fixed-rate and, despite increasing in 2022 to finance the IPEG acquisition, remains at normal levels. Based on the high level of liquidity available, the Group has a limited risk with regard to short-term maturities and therefore the risk associated with the rise in interest rates, which was particularly sharp during the year, is linked to the limited portion of medium/long-term loans.

The Group deals mainly with well-known and reliable customers; it is the Group's policy to subject the positions of customers who request payment extensions to the credit line and to constantly monitor them.

In addition, the Group's activities are characterized by customer advances against orders placed, which significantly reduces the financial requirements related to working capital.
The Group has a balanced net financial position and has been able to generate positive cash flows that are considered sufficient to finance both its growing operations and investments. Expectations for future years are consistent with this historical trend and therefore the liquidity risk is considered limited overall. Furthermore, given the Group’s performance, this risk is not believed to have been heightened by the ongoing conflicts between Russia and Ukraine or in the Middle East.
For the information required by IFRS 7 on the cash flows relating to the Group's financial liabilities by maturity, please refer to Consolidated Financial Statements explanatory notes.

Market risk linked to the exchange rate

As the Group’s business is undertaken in various countries around the world, it is exposed to the risk of foreign exchange fluctuation. The exchange rate risk arises mainly from transactions involving the US dollar, the Chinese renminbi, the British pound, the Brazilian real and the Canadian dollar against the euro. Transactions between the Parent Company and the subsidiaries are generally carried out in the local currency of the subsidiary, therefore the individual companies are not significantly exposed to exchange rate risk, which is nevertheless transferred to the consolidated financial statements, with an impact on margins and net income.
The Parent Company carries out transactions (typically sales) in currencies other than its functional currency. The Group does not currently carry out hedging policies either with reference to the economic effects of purchase and sale transactions in foreign currency or with reference to exchange rate differentials that arise between the time of invoicing in a currency other than that of account in each country and the time of collection or, to a lesser extent, of payment.
In addition, the Parent Company holds equity investments in subsidiaries whose financial statements are in foreign currency. Changes in equity due to exchange rate fluctuations are recorded in the “Translation reserve”. The risk resulting from the translation of equity is not currently hedged by the Group.

Market risk related to interest rate

The interest rate risk is the risk that the value of a financial instrument and/or the level of cash flows generated by it might change due to fluctuation in market rates of interest.
Exposure to the interest rate risk arises from the need to finance operating activities, in terms of manufacturing activities and financing the acquisition of businesses, as well as the employment of available liquidity. Changes in market interest rates may have a negative or positive impact on the Group’s result for the period, indirectly affecting costs and returns on financing and investment operations.
As described above, the majority of the Group's loans are at a fixed rate. The Group has not put in place any significant hedging as, given the Group's high liquidity, it is believed that the risk of fluctuations in interest rates, also due to the limited funding, can still be adequately managed.

Product and component price risk

The Group's exposure to price risk is not very significant, thanks to the specific nature of the range of products offered and the Group's competitive position in the marketplace. In this regard, however, in periods of high inflation we can see significant increases in the prices of certain raw materials and industrial components, as well as in transport costs. Historically, the Group has been able to pass these cost increases onto the prices of our products, although with a certain lag compared to the increase in the prices of raw materials and components. This mismatch in time can have an impact on the Group's short-term profitability.

Supply chain risks

An inadequate management of the Group's strategic suppliers in terms of quality controls, delivery times, and production flexibility entails a risk of potential inefficiencies in operations and an inability to meet the needs of our customers. In 2022 specifically, the status of certain supply chains was rather volatile, thereby increasing this risk. In response, the Group is seeking to take advantage of our global presence in order to find alternative supply channels in our most critical areas. The Group subjects suppliers to an initial assessment and updates these assessments regularly. The assessments measure their technological and production capabilities, the overall quality of their products and processes, their possession of ISO quality certification, their organization and financial standing, and their observance of principles of ethics. The challenges brought about by the Russia-Ukraine war may, over the short term, accentuate difficulties in procurement and lead to certain fluctuations in revenue.

Risks associated with climate change

Protecting the environment is an issue of great importance around the world. Issues regarding climate change, scarce resources and supply shortages require companies to use materials reasonably and efficiently. The Piovan Group is attentive to these issues and monitors how climate change will impact the Company in terms of risks, opportunities and financial impacts.

Physical risks concern the interruption of company operations due to climate change, the manifestations of which may be acute (i.e. severe, one-off interruptions due to extreme weather events) or chronic (gradual changes that have an ongoing, lasting impact). Our awareness of the existence of these physical risks, with reference to the context in which each company operates, enables us to identify specific risks and related opportunities, and this can have an impact on organization, on operations, on distribution and the supply chain, and on employees and customers. More specifically, these events can lead to increased economic costs and financial losses due, for example, to the increased severity and frequency of extreme weather events related to climate change or to the use of water and energy. In this regard, it should be noted that the Group has prepared the climate risk assessment. In this regard, please refer to Section 3 of the Directors' Report and the "ESRS E1 - Climate Change" paragraph. The Group has identified a number of risks, with reference to certain production plants, both wind related (wind storms, cyclones) and water related (water stress, hydrogeological risk, drought, flooding). Adaptation solutions that have

already been implemented and those that should be implemented were also analyzed. In the short term, no significant risks were identified due in part to the reduced complexity of production plants and processes.
With reference to the transition risk, relating to the charges to limit the rise in global temperatures, these can lead to legal and policy risks (i.e. risks related to new legislation or policies aimed at driving change), technology risks (i.e. risks related to the necessary technological innovation and the need for investment in research and development in order to find technological solutions compatible with the change), market risks (i.e. risks related to a trend towards "green" consumption and consequent reduction in demand for products that are incompatible with the change), and reputation risks (i.e. risks connected with the relationship of trust between consumer and business, which becomes a key differentiator in the buying decision).
These risks may lead to a reduction in the potential market, such as the risk of not adequately exploiting technological innovation that may lead to the replacement of existing products and the risk associated with the transition to a low-carbon economy. The Piovan Group believes that in this context plastics play a decisive role by having a low environmental impact in its production phase, if virgin, and a low impact on scarce resources as it is derived from processing waste, if from recycled material.
Plastic polymers can potentially be recycled to create new products, thus minimizing environmental pollution. It takes the concrete, concerted commitment of the primary actors in waste management and the circular economy.
The Piovan Group mitigates these risks by contributing to the transition proactively, through a sustainable approach based on three pillars:

- critical analysis and assessment of sustainability practices within the Group aimed at constant improvement and with a focus on the emerging needs of processors;
- constant focus on product and process innovation with a view to developing technologies and other solutions for the processing of recycled plastics.
- A commitment to developing increased awareness of sustainability throughout the value chain.

For further details on the Group's strategy, please refer to that more fully explained in Section 3 of the Directors' Report and the "ESRS E1 - Climate Change" paragraph.

Risks associated with information access and the IT system

Failures in information systems, lost or damaged data, cyber attacks, information technology that fails to meet business needs, or upgrades to technology that do not meet the needs of the user can compromise the operations of the Group and lead to errors in operations, procedural inefficiencies or delays, and other business interruptions, which can have an impact on the Company's ability to compete in the marketplace. The Group believes that we have taken all steps necessary to contain and manage these risks, and we have adopted applicable laws and regulations and constantly monitor the administration of our applications and IT infrastructure.

Subsequent events

Sale of the controlling interest in Piovan S.p.A. by Pentafin S.p.A. and related events

Obtaining the required authorizations

On January 10, 2025, a press release was issued in which the Purchaser (as previously defined) announced - with reference to the notification regarding the transaction made to the Austrian Authority in charge of foreign investment control with respect to Piovan Central Europe GmbH (described above) - the release of the authorization for the transaction.
In light of the above, the Purchaser on that date therefore obtained all required approvals under the applicable regulations for the purpose of completing the transaction.

Finalization of the change of control of Piovan S.p.A. and entry into office of the new Board of Directors

On January 28, 2025, Automation Systems S.p.A. completed the purchase of a total stake in Piovan of 64.82% of Piovan's share capital and 67.83% of the related voting rights, net of treasury shares, in execution of the two sale and purchase agreements - respectively with Pentafin S.p.A. and 7-Industries Holding B.V. - signed and disclosed to the market on July 19, 2024.

As a result of the closing of the Transaction, (i) the shareholder agreements already disclosed in accordance with law and outlined above came into effect, and (ii) the new Board of Directors of Piovan, appointed by the Shareholders' AGM of October 1, 2024, took office with effect subject to the closing of the Transaction. The new Board of Directors - which will remain in office until the Shareholders' AGM called to approve the 2025 Annual Accounts – is composed of Nicola Piovan (Executive Chairman), Filippo Zuppichin, Roberto Ardagna, Chiara Arisi, Elena Biffi (independent member), Michela Cassano (independent member), and Mario Cesari (independent member).

Following the completion of the Transaction, Automation Systems is required to launch a mandatory tender offer for the outstanding shares of Piovan, at a price of Euro 14.00 per Piovan share, aimed at delisting the Company's shares from the Euronext STAR Milan (the "Offer").

Resolutions of the new Board of Directors of Piovan S.p.A. following the finalization of the change of control

The Board of Directors of Piovan S.p.A., which took office along with the Closing, met for the first time on January 29, 2025. The new Board of Directors confirmed Mr. Nicola Piovan as Executive Chairman and Mr. Filippo Zuppichin as Chief Executive Officer (CEO) of the Company, granting them the relevant powers. In view of these delegated powers, the Board of Directors assigned to Chief Executive Officer Filippo Zuppichin the task of establishing and maintaining the Internal Control and Risk Management System in accordance with Article 6, Recommendation 32, of the Corporate Governance Code.

The Board of Directors also:

- appointed the Independent Director Elena Biffi as Lead Independent Director;
- appointed the members of the Company's internal Board committees and, more specifically, the Nomination and Remuneration Committee, the Control, Risks and Sustainability Committee and the Related Party Transactions Committee, as follows: (i) Nomination and Remuneration Committee: Directors Michela Cassano (Chairperson), Elena Biffi and Mario Cesari; (ii) Control, Risk and Sustainability Committee: Michela Cassano (Chairperson), Elena Biffi and Mario Cesari; (iii) Related Parties Committee: Elena Biffi (Chairperson), Michela Cassano and Mario Cesari.

Subsequently, on February 27, 2025, the Board of Directors of Piovan S.p.A. approved the notice ("Issuer's Notice") drafted pursuant to Article 103, paragraph 3 of Legislative Decree No. 58 of February 24, 1998, as subsequently amended (the "CFA") and Article 39 of the Regulations adopted by Consob Resolution No. 11971 of May 14, 1999, as subsequently amended (the "Issuers' Regulation") containing the motivated assessment of the Board of Directors (i) on the mandatory totalitarian public tender offer promoted pursuant to Articles 102 and 106 of the CFA by Automation Systems S.p.A. on all of the Issuer's shares and (ii) on the fairness of the relevant consideration.

For the purpose of issuing the Issuer's Press Release, the Board of Directors has, *inter alia*, reviewed and taken into account the opinion issued on February 27, 2025 by the Independent Directors of the Company pursuant to Article 39-bis of the Issuers' Regulation, to which the fairness opinion issued by Vitale & Co. as the financial advisor appointed by the Independent Directors for the purpose of their assessments was attached. At the outcome of the meeting, the Board of Directors, also based on the content of the Fairness Opinion and the Independent Directors' Opinion, considered the consideration of Euro 14.00 per share of the Issuer to be tendered to the Offer to be fair from a financial point of view.

Launch of the mandatory full public tender offer

On February 28, 2025, the offer document, approved by Consob regarding the mandatory totalitarian public tender offer, was published. The offer document can be found on the Piovan Group's website (www.piovan.com), and has been disseminated to the public through the usual communication channels. The offer period for Offers, agreed with Borsa Italiana, corresponds to 15 trading days, and is expected to end March 21, 2025, unless extended, in which case the last day of the offer will be April 4, 2025.
Reference should be made to the Offer Document for full details of all the terms and conditions of the Offer.

Inauguration of the new Chinese facility

On January 15, 2025, the Group's Chinese manufacturing company ("Piovan China") inaugurated a new facility in Suzhou, Jiangsu Province, for a total investment of more than Euro 10 million. The 15,000-square-meter plant is designed to promote Piovan Group in Asia as a leading player in the development and production of complete automation systems for processing plastics, food powders and refrigeration solutions. The new location will provide facilities, engineering consulting, training and after-sales service to all subsidiaries in the Group's APAC region, including Piovan Asia Pacific in Bangkok, Piovan Vietnam in Ho Chi Minh City, Piovan Japan in Kobe, Piovan Korea in Seoul, South Korea, Piovan Indonesia in Jakarta, and Conair Asia in Taiwan and Singapore. The move of operations to the new location is planned during the first half of 2025.

Acquisition of 50% of the associated company Penta Auto Feeding India Limited

On January 18, 2025, Piovan India Private Limited (a wholly-owned subsidiary of Piovan S.p.A.) signed a binding agreement to purchase a 50% interest in Penta Auto Feeding Limited ("Penta India") from Kabra Extrusiontechnik Limited ("Kabra"). The remaining 50% of Penta India was already owned by Penta S.r.l. - a wholly-owned subsidiary of Piovan S.p.A.. The transaction was finalized on February 6, 2025. As a result, the Piovan Group therefore holds 100% of Penta India.

Piovan S.p.A. - Tax Audit

With regards to that outlined in detail in the “**Significant events in the year**” paragraph, on February 26, 2025, in continuity with that which occurred for the Tax Assessment Notice for FY 2017, the Company filed its appeal against the Tax Assessment Notice for FY 2018 with an application for an interim suspension and a public hearing before the Court of Tax Justice of Venice.

No other events subsequent to December 31, 2024 are reported.

Outlook

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

In terms of acquisition-led growth, in February 2024 the Group acquired 1% of Nu-Vu Conair Private Ltd (“NuVu”), thereby coming to hold 51% of the Indian company and acquiring control. In early 2025, the Group also acquired the remaining 50% of the non-Group-owned Penta India, further consolidating its presence in the region.

The Piovan Group continues to remain interested in companies with products/technologies that can expand the value chain served by the Group, and we will continue to assess potential opportunities for acquisitions and external growth, both in the recycling and Food areas.

In relation to the evolution of the European regulation on the production and use of plastics, following months of uncertainty that have stifled the European polymer recycling market, the new regulations appear to be favorable both, where possible, to the reuse of items - but particularly to the recycling of plastics by setting ambitious targets for the coming years that should favor this segment.

It is noted that new regulations permitting the use of recycled plastic in food packaging are being approved in both India and China, supporting therefore the likely expansion of the Asian markets over the coming years.

The new regulations being approved in various countries represent an opportunity for the Piovan Group. The Group, in fact, has over recent years developed technologies focused on the automation, processing and screening of recycled and compostable plastics, developing a strong leadership position also thanks to various patents related to the topic of recycling and thus achieving an advantageous position from a technological point of view. The Company currently estimates, including eleven months of NuVu, that in the preceding 12 months, approximately 20.7% of the automations sold in the packaging, fiber and recycling segments were utilized in order to make use of recycled material. Incentivizing the reuse of plastic items, although representing a minimal potential market share, can also give rise to significant investment in order to develop items whose technical complexity enables their reuse.

Since 2006, the Group has contributed to building of hundreds of plastic recycling plant and thousands of systems that make it possible to create new products out of recycled plastic.
Piovan is already engaged at various levels in the process of change and is committed to providing solutions to the market for a circular economy, particularly in researching and developing advanced innovative technologies - allowing customers to use recycled polymers and obtaining a quality product with low environmental impact, cutting CO2 emissions and the consumption of scarce resources.

In terms of organic growth, although the market has contracted on 2023 - a record year for the Group - the performance for 2024 was still satisfying and benefited from increased market share and the ever-greater integration with the acquired companies. In relation to the order intake, the first half of the year indicated a continuation of the phase of market uncertainty observed at the end of 2023, which extended into the second half of the year due to a weakening macroeconomic and geopolitical scenario, impacted by the ongoing global conflicts and elevated - albeit slowly declining - levels of inflation. At December 31, 2024, the order backlog was slightly lower than the previous year.

A Piovan Group strength has always been the fact that it can rely on a number of geographic areas and highly diversified sectors, with the Group in 2025 in fact intending to boost investment in the highest growth potential areas.

As noted in the “Significant events in the year” section, on July 19, 2024, a preliminary agreement was signed between Pentafin S.p.A. and Investindustrial for the sale of the controlling interest in the Piovan Group. The transaction was then concluded in early 2025, as described in detail in other sections of this document. Over the past few years, the Piovan Group has effectively consolidated its position as one of the leading global players in developing and producing manufacturing process automation systems. Now a new chapter begins in the story of the Piovan Group, which will be written together with Investindustrial, a company with which it shares a vision, its values, and a focus on sustainability. In an ever-changing market environment, Investindustrial’s expertise and resources will be crucial in continuing and accelerating growth for the benefit of all stakeholders. The chief objective will be to consolidate the Group’s industry leadership and strengthen its international positioning, entering new markets and application segments.

Other information

Personnel

During 2024, the Group employed an average of 2,066 personnel, compared to 1,797 in 2023. The distribution of operating personnel by category was as follows:

	2024		2023	
	period end	average	period end	average
Managers	47	47	43	42
Junior managers	157	147	114	115
White collars	1,223	1,203	1,053	1,042
Blue collars	659	669	595	599
Total	**2,086**	**2,066**	**1,805**	**1,797**

The Parent Company figures follow:

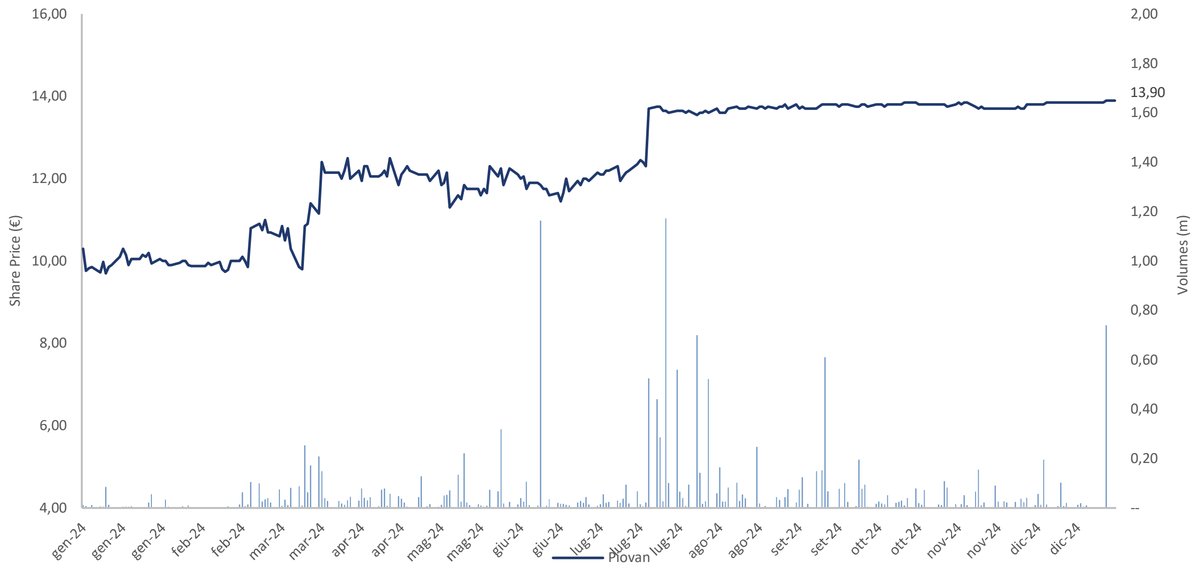
	2024		2023	
	period end	average	period end	average
Managers	12	12	12	12
Junior managers	24	23	19	18
White collars	209	207	207	207
Blue collars	192	192	193	198
Total	**437**	**434**	**431**	**436**

Share performance

The company's share value increased by 29.9%, from Euro 10.70 at December 31, 2023 to Euro 13.90 per share at December 29, 2024, for a market capitalization of approximately Euro 745 million (Euro 574 million at December 31, 2023). In 2024, Piovan's share generally performed generally well, reaching a high of Euro 13.90 per share. The average price of the share for the year was Euro 12.37 per share, (9.57 per share in 2023), with the high of Euro 13.90 being reached on December 27, 2024. Share trading reached a total volume of 16.3 million (5.82 million in 2023), with an average daily trading for the period of about 64.9 thousand shares. As at December 31, 2024, Piovan share capital, in the amount of Euro 6,000,000 was composed as follows: 58.35% held by Pentafin S.r.l., 4.62% in treasury shares and the remainder held by the market.

MAIN DATA		31.12.2024	31.12.2023
Share capital	Eur	6.000.000	6.000.000
Ordinary share	number	53.600.000	53.600.000
- of which treasury share	*number*	2,474,475	2.567.539
Market capitalization	Eur / millions	745	574

PERFORMANCE		31.12.2024	31.12.2023
Closing price	Eur	13.90	10.70
Maximum Price	Eur	13.90	10.70
Minimum Price	Eur	9.70	8.00
Mid Price	Eur	12.37	9.57



Transactions with parent companies, subsidiaries and associated companies

There were numerous inter-company transactions carried out in the ordinary course of business and at normal market conditions.
Inter-company transactions are inherent in the organization structure of the Group. These relationships concern both commercial activities (subsidiaries of Piovan S.p.A. and established in various countries which distribute the products of the Group as agents or as distributors), and production activities (subsidiaries of Piovan S.p.A. which, producing certain types of systems, supplement the Piovan S.p.A. product range or offering the same range to clients selling or acquiring machines to or from Piovan S.p.A.), as well as participation in the national tax consolidation by the Italian companies Piovan S.p.A., Aquatech S.r.l. and Penta S.r.l. with the parent company Pentafin S.p.A.
There are also financial transactions between the companies belonging to the Group, which are also carried out in the normal course of business and at normal market conditions, while there are no transactions that can be considered atypical.
For further information, reference should be made to the comments in the Explanatory Notes to the Consolidated Financial Statements at Note 39.

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 and Consob motion 21624 of December 10, 2022, enacted Article 2391-*bis* of the Civil Code.
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 most recently amended.
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 Other information section of the Explanatory Notes, to which reference should be made for further information.

Atypical and/or unusual transactions

There were no significant atypical and/or unusual transactions concerning the Parent Company Piovan S.p.A. or the Piovan Group in 2024.

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.

Treasury shares or parent company shares in portfolio

In accordance with Article 2428, paragraphs 2, 3 and 4 of the Civil Code, it is communicated that the Company holds at December 31, 2024, 2,474,475 treasury shares for a book value of Euro 3,011,750. No other company in the Group holds treasury shares or shares of the parent company.
With regard to shares issued, there are no limitations on voting rights, and no securities exist to which special control rights or special powers attach.

Compliance with the Issuers' Regulation

In accordance with Articles 70 and 71 of the Issuers' Regulation, the company opted to apply the exemption under paragraph 6 of Article 70 and paragraph 1 of Article 71 regarding the publication of a disclosure document drawn up as per Annex 3B of the Issuers' Regulation amid mergers, spin-offs or share capital increases through conferment in kind and significant acquisitions or disposals.

Legislative Decree No. 231/2001

The Board of Director's meeting of August 2, 2018 adopted the Organization, Management and Control Model in accordance with the provisions of Legislative Decree No. 231/2001 in relation to administrative responsibility of legal persons. This model was updated in November 2021 to include the special section related to tax crimes and, more recently, to transpose the provisions of Legislative Decree No. 24/2023 on whistleblowing.
Piovan's organization, management and control model essentially outlines the company's corporate governance structure, the means to establish the Supervisory Board and its functioning, the penalty system, the indication of sensitive activities, the prevention elements to monitor the aforementioned activities and the essential control measures designed to prevent or mitigate the illicit acts. This Model will be subject to adaptation to the application findings and the regulatory framework.
As of the date of this report, the primary Italian subsidiaries have adopted their own organization, management and control models in accordance with Legislative Decree No. 231/01. Work is under way to establish procedures for the recently acquired companies to also adopt such a model.
The overseas Group subsidiaries have been included in the Group's system of compliance by adopting specific policies for these companies, particularly with regards to the matters of money laundering and

corruption, so as to make the overall internal regulation as consistent as possible with the Group's international structure.
The Organization, management and control model of Piovan, together with the Ethics Code, are available on the company's website: www.piovan.com

Corporate Sustainability Reporting

The Company, in accordance with Article 4, paragraph 1 of Legislative Decree No. 125/2024, has included the corporate consolidated sustainability reporting in a separate section of this Directors' Report. The Sustainability Report for the year 2024, prepared according to the European Sustainability Reporting Standards ("ESRS"), is included in Section 3 of the Directors' Report.

Corporate Governance and Ownership Structure Report in accordance with Article 123-bis of the CFA

The Corporate Governance and Ownership Structure Report was prepared in accordance with Article 123-*bis* CFA as a separate document approved by the Board of Directors on March 19, 2024, and is available on the Investor Relations section of company's website at www.piovan.com. The report is prepared in accordance with the recommendations of the Corporate Governance Code and in line with the format recommended by Borsa Italia S.p.A. for reports on corporate governance and ownership structure (9th edition, January 2022). The report provides a thorough description of the system of corporate governance adopted by Piovan S.p.A. It describes the Company's profile and its inspiring principles and provides information on the ownership structure and compliance with the Corporate Governance Code, including the main governance practices applied and the features of the internal control and risk management system. It also includes a description of the composition and functioning of the administration and control bodies and of their internal committees, along with related roles, responsibilities, and powers. The criteria for determining the fees paid to directors are detailed in the "Report on the Remuneration Policy and remuneration paid", drawn up in accordance with Article 123-ter of the Consolidated Finance Act and Article 84-quater of the Consob Issuers' Regulation and published in the section Investor Relations of the Company's website.

Subsidiaries incorporated and governed under the laws of State not belonging to the European Union

At December 31, 2024, the subsidiaries incorporated and governed by the laws of states not belonging to the European Union, in accordance with Article 15, paragraph 1, of Consob Regulation No. 20249 of December 28, 2017, were Piovan Do Brasil LTDA, Piovan Mexico Sa, Piovan Plastics Machinery Co. Ltd, Universal Dynamics Inc., Piovan Asia Pacific Ltd, and Piovan Canada Ltd, Piovan North America Inc. and all the subsidiaries of the IPEG group. See the paragraph "List of investments included in the consolidated financial statements and other investments" for a detail of consolidated companies and countries of origin. The subsidiaries incorporated and governed by the laws of states not belonging to the European Union fulfill the requirements as per paragraph 1 of this article.

Sovereign debt exposure

In accordance with Consob Communication No. DEM/11070007 of August 5, 2011 (which restates ESMA document No. 2011/266 of July 28, 2011) concerning the information to be presented in financial reports concerning exposures held by companies listed on sovereign debt markets, it is communicated that the Group does not hold Sovereign debt securities.

Management and coordination

The Piovan S.p.A. is not subject to management and co-ordination pursuant to Article 2497 and subsequent of the Civil Code.
Piovan S.p.A. exercises management and co-ordination, as per Articles 2497 and subsequent of the Civil Code, over the Group companies and the direct and indirect subsidiaries, imparting Group strategies, particularly in terms of industrial objectives, commercial and marketing policies and operating and financial results.
In particular, management and co-ordination over subsidiaries is carried out by the company, among other means, through approval of their industrial, financial and strategic plans, the approval of their annual budgets, the drafting of Group directives, procedures and guidelines and of general operating, human resources and finance policies, in addition to the appointment of their corporate boards.

Off-balance sheet agreements

With regards to the information required by Article 2427, paragraph 1 No. 9 of the Civil Code, it is stated that the Group does not have Off-balance sheet agreements, with the exception of that indicated in the Explanatory Notes.

Group and consolidated tax procedure

The companies Piovan S.p.A., Penta S.r.l. and Aquatech S.r.l., and from 2024 also Doteco S.p.A., as consolidated companies adhered to the Group taxation procedures in accordance with the option exercised by Pentafin S.p.A. as consolidating company for the three-year period 2024-2026, as per Articles 117 and 129 of the Presidential Decree 917/1986.
In preparing the financial statements of these companies, the effects of the transfer of the tax positions due to the consolidated tax accounts were taken into account; in particular, the subsequent accounts receivable from/payable to the consolidating company were recognized.

Reconciliation between parent net equity and net result and group shareholders' net equity and net result at December 31, 2024

A breakdown of the composition and movement of shareholders' equity of the parent company and the Group consolidated financial statements at December 31, 2024 is presented in the following table:

	31.12.2024		31.12.2023	
€/000	**Equity**	**Net Profit**	**Equity**	**Net Profit**
Equity and net profit attributable to the owners of the parent	**94,622**	**17,473**	**87,560**	**14,774**
Elimination of the book value of consolidated shareholdings (Differences between book value and relevant shareholders' equities)	138,864	29,573	88,124	32,897
IAS 32 Put Option	(26,174)	(800)	-	481
Elimination of the effects of transactions between consolidated companies	(3,409)	89	(4,347)	750
Shareholders' equity and fiscal year result in the consolidated financial statements	**203,903**	**46,334**	**171,337**	**48,903**
Shareholders' equity and fiscal year result attributable to minority interests	21,653	1,822	(2,600)	(498)
Shareholders' equity and fiscal year result attributable to the Group	**182,250**	**44,512**	**168,737**	**49,400**

Allocation of the result for the year

Piovan S.p.A. closed 2024 with a net profit of Euro 17,472,752.61, which the Board of Directors proposes to fully allocate to the extraordinary reserve.

Dear Shareholders,
we trust that you will be in agreement with the criteria for the preparation of the financial statements for the year ended December 31, 2024, and we invite you to approve them.

Executive Chairman
Nicola Piovan

Section III – Corporate Sustainability Reporting

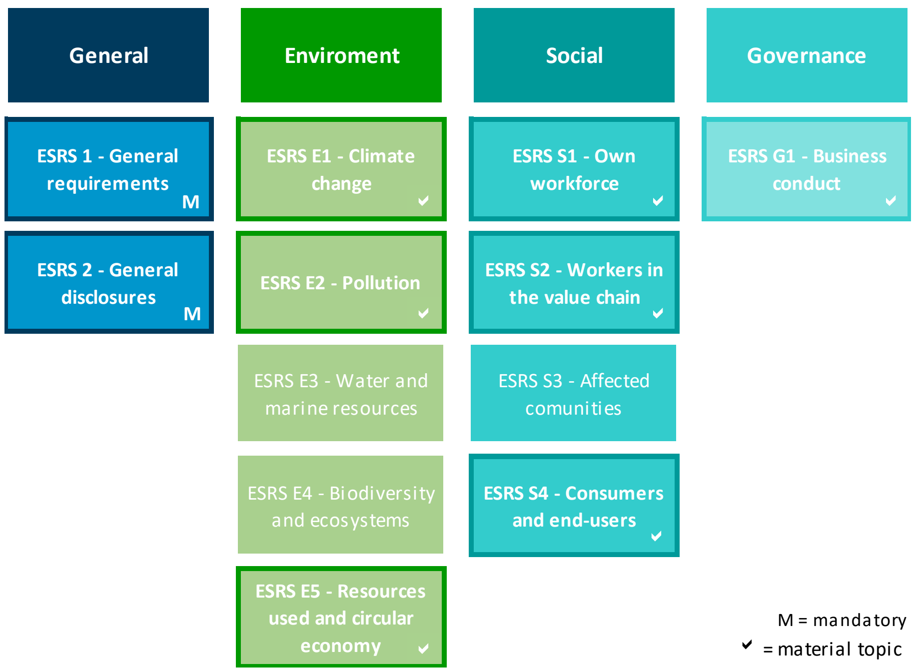
General disclosures

[BP-1]: General basis for preparation of Sustainability Report

This section of the Directors' Report represents the Consolidated Sustainability Report (hereinafter also the "Sustainability Report") of the Piovan Group (hereinafter also the "Group") prepared in accordance with Legislative Decree No. 125 of September 6, 2024 implementing Directive 2022/2464/EU, in line with the European Sustainability Reporting Standards (ESRS) for the period from January 1, 2024 to December 31, 2024.

The scope of social, environmental and governance data and information coincides with that of financial disclosure and is composed of the parent company (Piovan S.p.A.) and the Group companies consolidated on a line-by-line basis (for more details, see the section "Other Information - List of Equity Investments" in the Notes to the Consolidated Financial Statements). Compared to fiscal year 2023, it should be noted that control of NuVu Conair Pvt Ltd. was acquired, which entered the reporting scope as of February 1, 2024, and Energys S.r.l. was sold, which was no longer included in the consolidation scope as of December 31, 2024.

The Sustainability Report reports the impacts, risks and opportunities that have been assessed as material to the Group as a result of the Double Materiality Analysis (hereinafter also "DMA"), both with reference to the Group's assets and its value chain.
In fact, the Group's policies, actions and objectives include the latter to the extent that this has been deemed material.



With regard to the Group's value chain, where data is not available the Company has made use of the transitional provisions (ESRS 1 - datapoint 10.2), committing to implement all necessary measures to integrate data in future years.

The Group does not omit significant information about intellectual property, know-how, innovation results as well as - as required by Article 19-*bis* para. 3 and Article 29-*bis*, para. 3 of Directive 2013/34/EU - imminent developments or issues under negotiation. However, with reference to specific strategic information, we reserve the right to maintain confidentiality.

[BP-2]: Disclosures in relation to specific circumstances

Time horizons

The Group follows the definition of time horizon within section 6.4 of ESRS 1 (EU Delegated Regulation 2023/2772), aligned with that used in the financial statements. The short term is equal to the budget reporting period, the medium term extends from the end of the short-term reporting period to five years, and the long term is more than five years.

Value chain estimation

The Group has not reported numerical metrics that include upstream and/or downstream value chain data, except as estimated on the basis of indirect sources with reference to the calculation of Scope 3 emissions.

Sources of estimation and outcome uncertainty

In the interest of a proper account of performance, and in order to ensure that the figures are reliable, the use of estimates has been kept to a minimum and any estimates presented have been based on the best available methods, as appropriately disclosed. Possible causes of measurement uncertainty referring to quantitative metrics within the Sustainability Report concern those related to:

- Calculation of scope 3 emissions - see section “ESRS E1 - Climate Change”;
- Resource inflows - see section “ESRS E5 - Resource use and circular economy”.

For more details on the estimates applied, see the following sections of the Sustainability Reporting.

Changes in the preparation and presentation of sustainability information and reporting errors in prior periods

Comparative data have been presented, on a voluntary basis, for those metrics that have already been reported in previous periods, where the definition and methodology of determination are aligned with ESRS. In accordance with the transitional provisions of the ESRS, no comparative data were presented with reference to the metrics introduced in 2024. With reference to reporting errors in prior periods, please note that the following data included under "ESRS E1 - Climate Change" have been restated:

- Calculation of Scope 1 emissions, following further analysis related to the Mexican subsidiary, approximately 1.750 tCO_2 less;
- Calculation of Scope 2 emissions, following further analysis related to the Brazilian subsidiary, approximately 45 tCO_2 more.

This Sustainability Report does not include any additional information arising from applicable legislation, except for information under Article 8 of Regulation (EU) 2020/852 of the European Parliament (refer to Disclosure under Article 8 of Regulation 2020/852 - EU Taxonomy Regulation).

Governance

[GOV-1]: The role of the administrative, management and supervisory bodies of Piovan S.p.A.

The Company considers a proper governance structure and an effective Internal Control and Risk Management System to be key to its management and organization. These two elements take the form of tools, processes and entities deemed necessary and useful to oversee, manage and supervise Company operations, with a view to carrying out efficient and ethical business activities.

The Company's corporate governance structure abides by the principles of Borsa Italiana S.p.A.’s Corporate Governance Code for listed companies (the "Corporate Governance Code").

The administration, management and control bodies that form the governance system of Piovan S.p.A. are as follows:

- Shareholders’ Meeting;
- Board of Directors (hereinafter also “BoD”);
- Board of Statutory Auditors (hereinafter also “BSA”);
- Control, Risks and Sustainability Committee (hereinafter also “CRSC”);
- Nomination and Remuneration Committee (hereinafter also “NRC”);
- Related Parties Committee (hereinafter also “RPC”).

Situation at December 31, 2024

As of December 31, 2024, the BoD consists of 7 members, 2 of whom are executive (29%) and 5 of whom are non-executive and meet independence requirements (71%). The Chairperson of the BoD has an executive role. In addition to the powers assigned in accordance with law and the By-Laws, the BoD is exclusively responsible for making the most important decisions from an economic and strategic point of view and in terms of structural impact on operations, i.e., those functional to the exercise of the monitoring and guidance activities of the Company and the Group.

The BoD at December 31, 2024 was appointed by the Shareholders' Meeting of April 29, 2024, and will remain in office until the approval of the 2026 Annual Accounts. It should also be noted that on July 31, 2024, following the announcement regarding the signing of a Sales and Purchase Agreement between Automation Systems S.p.A. and Pentafin S.p.A. for the purchase of a stake representing 58.35% of Piovan's share capital, the members in office announced their resignation, the effectiveness of which was subject to the new board taking office, which was subsequent to the effectiveness of the Sales and Purchase Agreement.

Therefore, on October 1, 2024, the Shareholders' Meeting of the Company, held in ordinary session, appointed a new Board of Directors, with its effectiveness contingent upon the completion of the Sales and Purchase Agreement. This Board will remain in office until the Shareholders' Meeting called for the approval of the 2025 Annual Accounts.

For the sake of completeness, it should be noted that the Sales and Purchase Agreement was finalized on January 28, 2025, the date on which the new BoD thus took office.

The following table summarizes the composition of the corporate bodies in office as of December 31, 2024 according to different metrics:

	BoD	BSA	CRSC	NRC	RPC	ODV
N. Members						
	7	3	3	3	3	3
Independence						
Non Independent	29%	0%	0%	0%	0%	n.a.
Independent	71%	100%	100%	100%	100%	n.a.
Gender						
Male	57%	33%	67%	0%	67%	33%
Female	43%	67%	33%	100%	33%	67%
Other/Not Reported	0%	0%	0%	0%	0%	0%

As shown in the table above, the Board 's gender diversity ratio calculated as the ratio of male to female board members is 1.3 (4 men and 3 women). This metric remains unchanged with reference to the BoD in office as of January 28, 2025.

With reference to the number of Independent Directors there was a change between the two BoDs. Independent members decreased from 71% to 43%.

The members of the Board of Directors in office in 2024 and at the date of approval of the Annual Report are indicated in the section “Board of Directors” in the first chapter “Governance of Piovan S.p.A.”.

It is also reported that formally there is no representation of employees and workers within the BoD, that is, there is no member elected through a voting mechanism reserved for them. However, the BoD, supported by the NRC, interacts with the Human Resources function in appropriate ways and at appropriate times to be informed about issues concerning employees and workers. Periodically, quarterly following the approval of quarterly results and if there is a need, the Human Resources function, headed by the Group Human Resources Director, meets with the labor unions.

Sustainability matters as well as the management of impacts, risks and opportunities are addressed and monitored by all governance stakeholders and are disseminated through the entire organization to ensure their integration into the Group's strategy, according to a defined structure of roles and responsibilities.

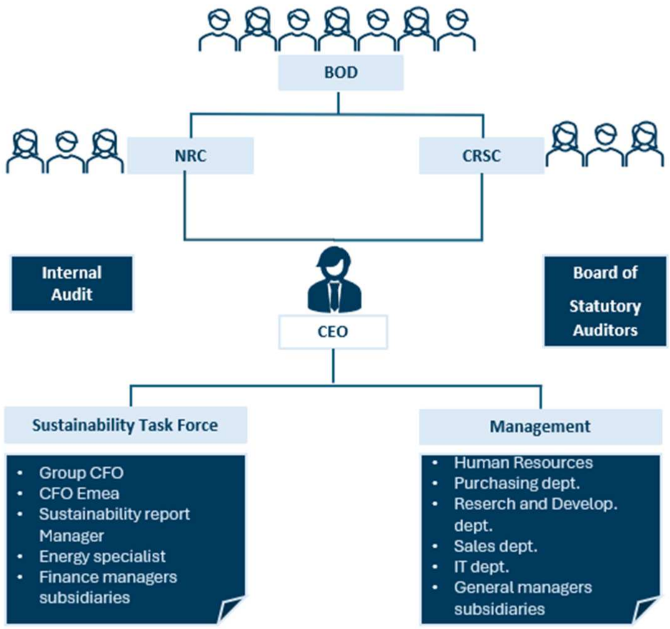
In addition, the identified impacts, risks and opportunities (hereinafter also "IROs"), which are part of the company's mission, are integrated within the company's strategy and business model through dissemination of the corporate policies and pursuit of ESG targets.

The administration, management and control bodies include members with the necessary expertise in relation to specific topics related to the Group's typical business, such as experience in the business sector, products and geographical areas of the company.

During 2024, the Directors, Statutory Auditors and Management were invited to participate in a sustainability course organized and held at the Group's Academy platform - as were all employees of Piovan S.p.A.. Courses available and conducted by some Directors throughout the year specifically focused on ESG (Environmental, Social, Governance) and DEI (Diversity, Equity, Inclusion) issues.

Periodically, and in any case at each renewal of the governance bodies, the Company conducts evaluations of the functioning of the BoD, the NRC, the CRSC, and the CPR, as well as their size and composition, also taking into account the professional characteristics, experience and gender of the members (so-called board evaluation).

The Group has a Sustainability Task Force, which deals with sustainability matters and updates management, the Chief Executive Officer (hereinafter also "CEO"), and the CRSC on ongoing projects and monitoring of ESG goals, both through one-to-one sessions and internal meetings involving all Group regions. It also supports management, the CEO and the CRSC during the process of identifying impacts, risks and opportunities and prepares the necessary documentation to meet requirements outlined by the CSRD. The head of the Sustainability Task Force is the Executive Officer for financial reporting, i.e., the Group Chief Financial Officer (hereinafter also "Group CFO"), who together with the CEO is also responsible for preparing the Sustainability Report.



Board of Directors

The Board of Directors of Piovan S.p.A. is a central body in the Company's corporate governance system. In addition to the powers assigned to in accordance with law and the By-Laws, the Board is exclusively responsible for making the most important decisions from an economic and strategic point of view and in terms of structural impact on operations, i.e. those functional to the exercise of the monitoring and guidance activities of the Company and the Group, including the definition of corporate governance.

Specifically, the BoD’s responsibilities include:

a) the adoption of the Company's corporate governance rules and the definition of the Group's corporate governance guidelines;
b) the definition of guidelines for the Internal Control and Risk Management System, and the appointment of a Director as its supervisor and an Internal Audit Manager;
c) the examination, approval and monitoring of the application of the Company and Group’s strategic, business and financial plans;
d) the establishment and appointment of the NRC and CRSC, as well as any additional internal committees with advisory and proposal-making functions;
e) the approval of stock option plans and incentive plans in general, in accordance with the applicable laws and regulations and in compliance with the Remuneration Policy adopted by the Company.

With regard to the composition of the BoD and BSA, the Company has adopted a “Diversity Policy" aimed at promoting and protecting diversity of gender, age, seniority in office and professional and managerial skills. For further information, reference should be made to the Corporate Governance Report.

The members of the Board of Directors in office in 2024 and as of the date of approval of the Annual Report are listed in the section "Corporate bodies of Piovan S.p.A.".

The following table summarizes the experience of the Directors in relation to the company's sectors, products, and geographic areas, given their years of experience at Piovan.

	N. Piovan	F. Zuppichin	M. Fumagalli	M. Cesari	A. Lillo	M. Grattoni	A. Bianchi
N. years in Piovan	>30	19	7	5	4	4	1
Experience in Business Sectors	●	●	◕	◕	◑	◑	◔
Experience on Group Products	●	●	◑	◑	◔	◔	◔
Experience in the Geographical Areas of the Group	●	●	◕	◕	◑	◑	◔

The BoD is the body responsible for defining, updating and approving the Group's strategy, which incorporates timely identified sustainability goals and targets, the achievement of which is assigned to the various functions based on their involvement.

Specifically, the BoD in the area of sustainability plays the following roles, *inter alia*:

- reviews the progress of the sustainability strategy, approving the sustainability targets identified from 2023;
- monitors processes, initiatives and activities aimed at maintaining the Company's commitment to sustainable development along the value chain;
- is involved in the process of preparing the Sustainability Report;
- is responsible for approving the material topics list and the Sustainability Report.

The BoD exercises its functions related to sustainability issues through the CRSC, reporting directly to the CEO. The CEO and Executive Chairperson initially approve the budget dedicated to projects in the area of sustainability that will then be developed during the year, and they are informed and involved in the progress of these projects, providing both informational and decision-making input.
For its control activities, the BoD is supported by the Internal Audit function, which reports directly and hierarchically. In carrying out its duties, Internal Audit, which coordinates organizationally with the Chief Executive Officer and the Executive Chairperson, ensuring due information to CRSC, BoD, BSA and the Executive Officer for financial reporting, relies on the audit plan to undertake audits on the effectiveness of corporate processes and controls, including those related to sustainability matters, including compliance with policies.

The BoD also appointed a Supervisory Board in accordance with Legislative Decree No. 231/2001 (the "Supervisory Board"), which operates in close coordination with the BoD and CRSC, playing a crucial role in identifying and managing corporate risks, as well as ensuring that regulations are complied with in all transactions.

Board of Statutory Auditors

The BSA is responsible for monitoring compliance with sustainability regulations and reporting its observations in the annual report to the Shareholders' Meeting.

Indeed, the BSA must ensure that the company has a suitable organizational set-up to achieve ESG objectives, including the collection and processing of data required for sustainability reporting. It must also ensure that the Internal Control and Risk Management System is adequate to identify, monitor and mitigate ESG risks.

Some of the more immediate activities that the BSA could plan include:

- Monitoring BoD decisions: verify that the adequacy of the organizational structure is periodically evaluated and, if necessary, updated;
- Analysis of internal controls: ensure that business processes meet the required standards for sustainability reporting.

Control, Risks and Sustainability Committee

The CRSC consists of three members, all of whom are independent. Among other tasks, the CRSC is responsible for:

i. defining the guidelines of the Internal Control and Risk Management System in line with the Company's strategies, as well as the periodic verification of its adequacy;
ii. the examination and assessment, at least annually, of the work plan prepared by the Internal Audit Manager.

In addition, the CRSC is the body responsible for sustainability and with reference to this it performs the following functions:

i. proposal and consultative functions with regard to sustainability regulation, i.e., the processes, initiatives and activities required to communicate the company's commitment to sustainable development throughout the supply chain;
ii. examines the periodic non-financial information relevant to the Internal Control and Risk Management System and
iii. examines and evaluates the sustainability policies aimed at ensuring the creation of value over time for the majority of shareholders and for all other stakeholders over a medium-long term period in accordance with the principles of sustainable development; as well as the guidelines, objectives and consequent processes of sustainability and sustainability reporting submitted annually to the BoD, including, in particular, the Sustainability Report.

Nomination and Remuneration Committee

The NRC is composed of three independent members. Among other tasks, the NRC:

i. supports the Board of Directors in defining the optimal composition and carrying out the self-assessment activities of the Board and its committees;

ii. presents proposals or expresses opinions to the Board of Directors on the remuneration of Executive Directors and other Directors holding specific offices as well as establishing the performance targets, including sustainability targets, related to the variable component of this remuneration, monitoring the application of the decisions adopted by the Board and the achievement of the performance targets.

[GOV-2]: Functioning of the BoD and Committees overseeing Sustainability matters

Functioning of the Board of Directors

The BoD and its committees are updated regularly on sustainability issues and in particular on the activities put in place by the Company for the purpose of CSRD compliance, such as conducting a gap analysis between the previous NFR and that required for CSRD purposes, the activity of calculating Scope 3 emissions, conducting the Group's first Climate Change Risk Assessment, developing the Double Materiality analysis, and drafting this document.

During 2024, the BoD met 9 times, and on 5 occasions the Agenda included topics related to sustainability, including:

- Approval of double materiality analysis and identification of impacts, risks and opportunities;
- Approval of sustainability goals;
- Approval of the previous Non-Financial Report;
- Adjustment of policies and procedures related to sustainability (Whistleblowing, new Code of Ethics);
- Verification of achievement of ESG goals to be included in the Long-Term Incentive Plan - First Cycle;
- Determination of ESG goals to be included in the Long-Term Incentive Plan - Second Cycle;
- Update regarding the development of CSRD compliance activities and in particular Gap Analysis activities, Scope 3 emission determination, climate change risk assessment.

Functioning of the CRSC and the NRC

During 2024, the CRSC met 7 times, 6 of which were to deal with sustainability issues, while the NRC met 5 times, 2 of which were to deal with sustainability issues, to discuss the topics in the list above.

The CRSC is also generally attended by the CEO, the Group CFO, the EMEA CFO (as the person responsible for the preparation of the Annual Report), and the Sustainability Report Manager, as functions supporting the BoD and CRSC in monitoring activities related to sustainability matters, at the invitation of the committee and on individual Agenda items. The Chairperson of the BSA (or another Statutory Auditor designated by him/her) also takes part, and the other Statutory Auditors may attend and are then updated on sustainability matters.

With reference to the impacts, risks and opportunities identified by the Group in relation to sustainability issues, these were addressed by the administration, management and supervisory bodies for the Double Materiality Analysis. In particular, with reference to the risks related to Climate Change issues, they were addressed during specific presentations to the CRSC as well as to the CEO during the reporting period.

[GOV-3]: Integration of sustainability-related performance in incentive schemes

As explained more extensively in the Corporate Governance Report, the Company's Remuneration Policy referring to directors and managers with strategic responsibilities pursues the same logic applied to the entire corporate population in order to attract, motivate and retain people with the professional qualities necessary to contribute to the definition of the Company's growth strategy and to the strengthening of the Company's long-term interests and sustainability. The remuneration of directors, managers with strategic responsibilities and some members of management is partly fixed and partly variable.

We report that the Shareholders' Meeting of Piovan S.p.A. held on April 27, 2023 approved the new incentive plan called the "2023-2025 Long-Term Incentive Plan" (the "Plan"), which governs the grant of rights to receive shares in the event that pre-established performance targets are achieved, together with a further allocation of Restricted Share Units not linked to predetermined performance targets, but only to the continued existence of the employment or collaboration relationship between the beneficiary and the Company or other Group companies. One of the variable components of the Plan is linked to ESG Targets, related to sustainability performance, and in particular to improvement in one of the ESG ratings to which the Company is subject. It is specified that 10% of the value of the plan is related to this indicator. Beneficiaries of the long-term incentive plan include one member of the board of directors, as well as manager with strategic responsibilities and other individuals from Group management.

The introduction of an indicator linked to ESG performance was a first concrete step in aligning management interests with the Group's sustainability commitments, incentivizing a responsible approach to business management. However, it should be noted that the indicator is not related to the GHG emission reduction targets set by the company, such as our commitment to reach **net zero emissions by 2050.** This choice represents a trade-off: on the one hand, significant progress in reducing environmental impacts relative to economic activity is encouraged; on the other hand, it leaves open the possibility of refining the parameters over time to ensure greater consistency with long-term strategic commitments.

It is specified that as of December 31, 2024, no other BOD member, except the CEO, had sustainability-related targets within their compensation package.

[GOV-4]: Statement on due diligence

The following is a mapping of the information provided in the Sustainability Report regarding the Due Diligence process with reference to sustainability matters.

Core elements of due diligence	Paragraphs in the Sustainability Report
Embedding due diligence in governance, strategy and business model	[ESRS 2 GOV-1]: The administrative, management and supervisory bodies of Piovan S.p.A.; [ESRS 2 GOV -2]: Functioning of the BoD and Committees overseeing Sustainability matters; [ESRS 2 GOV-3]: Integration of sustainability-related performance in incentive schemes; [ESRS 2 SBM-1]: Strategy, business model and value chain; [ESRS 2 SBM-3]: Material impacts, risks and opportunities and their interaction with strategy and business model
Engaging with affected stakeholders in all key steps of the due diligence	[ESRS 2 SBM-2]: Interests and views of stakeholders; [ESRS 2 SBM-1]: Strategy, business model and value chain; [ESRS 2 IRO -1] Description of the processes to identify and assess material impacts, risks and opportunities: ESRS S1, S2, S4
Identifying and assessing adverse impacts	[ESRS 2 SBM-3]: Material impacts, risks and opportunities and their interaction with strategy and business model [ESRS 2 SBM-1]: Strategy, business model and value chain
Taking actions to address those adverse impacts	[ESRS 2 GOV-5]: Risk management and internal controls over sustainability reporting; ESRS E1, E2, S1, S2, S4, G1
Tracking the effectiveness of these efforts and communicating	ESRS E1, E2, S1, S2, S4, G1

[GOV-5]: Risk management and internal controls over sustainability reporting

The Piovan Group is aware of the importance of sustainability reporting that provides transparency on the environmental, social and governance practices applied, helping stakeholders understand the impacts of the company on people and the environment and the sustainability of its activities, along with the risks associated with incomplete or incorrect reporting.

To manage these risks, the Group has taken several measures designed to mitigate them at various levels. The Internal Control and Risk Management System is in the process of being updated; this update will be completed in 2025 to ensure compliance with Legislative Decree No. 125/2024.

The Group has enacted an ERM Risk Management System based on the CoSO framework. This tool allows risks related to sustainability and sustainability reporting to be assessed, and the adequacy of safeguards that mitigate these risks is also evaluated.

The BoD has also adopted the “Procedure for the Preparation of the Sustainability Report” (hereinafter also referred to as the “Procedure”), which defines the process to be followed in the preparation and the safeguards that mitigate the risks associated with the preparation of this document. This procedure applies to the entire consolidation scope of the Piovan Group. The sustainability reporting process is divided into detailed steps, each with specific timelines and clearly defined responsibilities.

The Procedure identifies the role of the Internal Audit function. This body, considering to its third-party status and independence, can carry out activities to monitor compliance with the Procedure when implementing the Audit Plan approved by the Board of Directors or if it detects significant risks related to the process of preparing non-financial disclosure, verifying the controls established during the process. The Internal Audit function has specific roles, such as verifying the compliance of sustainability information and assessing the effectiveness of internal controls.

To ensure the accuracy and reliability of sustainability information, and to mitigate the risk of inaccurate data disclosure, Group subsidiaries are required to follow a structured validation process. Specifically, each branch is required to provide a Letter of Attestation to the Executive Officer for financial reporting, attesting to the accuracy, completeness and traceability of the information provided.

Branch contact persons must also sign the Collection Sheets relating to sustainability data, thus ensuring verification and consistency of the information entered. The process of validating sustainability information is detailed, including review and approval steps by the managers of the various organisational areas. Documentary evidence required to support the validity of the information provided includes traceability documents and audit reports.

This process helps strengthen internal control by ensuring that the data reported in the Sustainability Report are accurate, reliable and comply with regulatory requirements.

The process of preparing the Sustainability Report and the controls over the information contained therein follow a similar approach to the control system on financial disclosure. Considering the regulatory changes in sustainability and the resulting change in the reporting process, the controls put in place have been adjusted to take these changes into account.

The datapoints are provided, through a special data collection platform, by the parties in charge from each company included in the consolidation scope, based on specific requests, which trace the outcome of the double materiality analysis and the requirements of the ESRS. These datapoints are then verified and consolidated by the Sustainability Task Force and conveyed in the Sustainability Report.

Periodically, the CRSC and the BoD are updated and informed about the progress of the preparation of the Sustainability Report, on which the CRSC expresses a positive opinion and which is approved by the Board of Directors, discussed with the Board of Statutory Auditors and subject to limited review by the auditing firm.

Strategy

[SBM-1]: Strategy, business model and value chain

Piovan Group is a global leader in the development and manufacturing of automation systems for the storage, shipping and processing of polymers and plastic powders (“plastics area systems”). Since 2015, the Group has been increasingly involved in developing automation systems to store, transport and process food powders (“food systems”). As such, the group is taking advantage of its leading market

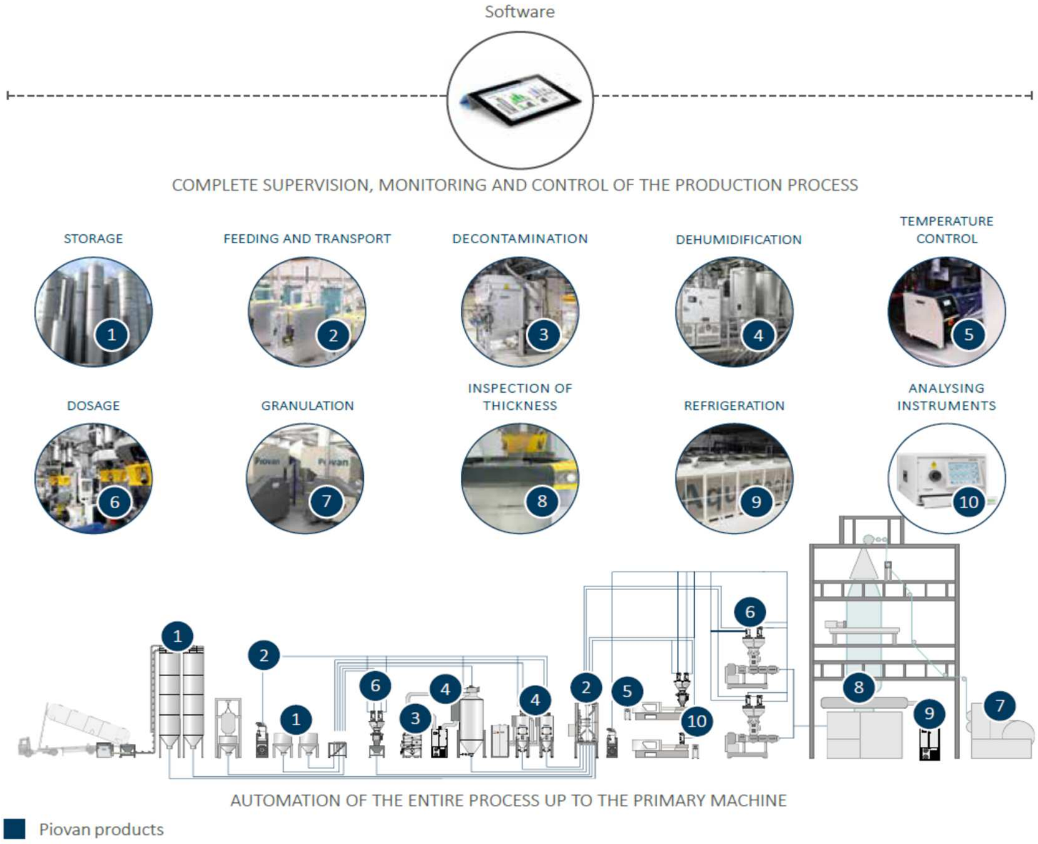
position, replicating the business model adopted in the plastics area and making the most of cross-selling opportunities.
Piovan Group's technical solutions include:

- design and planning of systems, equipment and engineering solutions;
- production of systems and equipment;
- installation at customers' production facilities.

Among its other activities, the Group also develops and markets supervision and control software, which can guarantee the connectivity of all the systems and machines in the plants it supplies, and assists its customers on a global basis. This refers to continual technical assistance, which includes the sale of spare parts for machinery and a range of additional services, such as support activities from the preliminary design phase through to installation and initialization of equipment and machinery. These steps guarantee optimal product performance and consolidate customer relationships.

A distinctive element of the Group's products is the high degree of flexibility which, together with the skills and expertise in developing complex engineering solutions, allows these machines to adapt to customer needs and to integrate with systems and plant parts developed and produced by third parties, offering a service/product of significant quality.

Operating in sectors related to the use of plastics, which can sometimes have particularly high environmental impacts, the Piovan Group has an ongoing and concrete commitment to finding viable solutions aimed at mitigating these impacts, especially in terms of developing solutions to support the circular economy**.** In fact, the Group is increasingly investing in the development of technologies for plastic recovery and recycling ("Primary Process" of the circular economy) and works tirelessly alongside major players in the industry to offer its customers innovative solutions that involve the use of recycled or biodegradable plastics instead of virgin plastics ("Secondary Process" of the circular economy).



The Group's business areas, and consequently the product/service groups offered, are:

- Technical Polymers;
- Food and Industrial Applications;
- Services.

Technical Polymers

The **Technical Polymers** business unit of the **Piovan Group** provides advanced technological solutions for industrial automation, focusing on storage, transport and processing processes for technical polymers and plastic materials. This sector covers a wide range of industries, including automotive, medical, electronics and packaging, offering systems to improve production efficiency, optimize raw material use, and reduce energy consumption.

Food and Industrial Applications

The Food and Industrial Applications business unit of the Piovan Group, an activity carried on mainly through its subsidiaries Penta and Fea, focuses on the design of complete turnkey plants for handling raw materials, both in powder, liquid and cream form. With expertise of more than 25 years, the Group is able to meet customer requirements in the design and construction of complex turnkey plants, following all stages of the process: from receiving the material from tanker trucks or tanks to receiving the product in bags and sacks; from storage in silos and hoppers to transport; from receiving filters placed on top of the kneader loading tower, to in-line sieving and dosing of raw materials for the proper feeding of a kneader. The Food and Industrial Applications business unit, thanks to the Piovan Group's expansion, has an international network that enables continuous support to customers, offering customized systems and technical assistance worldwide. The Group's experience enables it to supply customers operating in the food sector and allow them to manage milk powder, sugar, flour and coffee as part of their production process, as well as the preparation of beverage and chocolate.

Service and Spare Parts

The range of services and spare parts provided by the company includes a number of complementary services cross-cutting the supply of systems for the Technical Polymers and Food and Industrial Applications areas.

Specifically, "Services and spare parts" include:

- Sales of spare parts and components of various types;
- Technical support services, such as machinery reconditioning services, ongoing maintenance and equipment repair services;
- Overhauling and equipment upgrades: to ensure that equipment remains state-of-the-art, Piovan offers renovation and technology upgrade services.
- After-sales and help desk services;
- Customer training activities aimed at the proper use of machinery, as well as special energy diagnoses and audits aimed at conducting analytical studies and proposing targeted solutions for production efficiency and energy savings.

Please refer to the section ‘Performance of the Group’ in the Directors’ Report for details on significant markets.

Employees by geographical areas

For information on the number of employees by region, please refer to the relevant chapter S1 ‘Own workforce’ of the Sustainability Report.

Elements of the strategy related to sustainability matters

The pursuit of sustainable success has been at the heart of the Piovan Group’s strategy for many years. As such, Piovan constantly strives to combine the objective of satisfying Customers with that of creating value for Shareholders. It pays special attention to the needs of the community and respect for the environment, and to valuing the professional skills of the staff who, through their dedication and constant motivation, are fundamental to the Group’s growth and to achieving the Company’s objectives.

The foundations of this long-term pathway were laid in 2018, when - in order to clearly define the values that have always been widespread within the Group and the responsibilities related to them - Piovan chose to adopt a Code of Ethics. Observance of this Code by the addressees, each within the scope of his or her functions and responsibilities, is crucial for the Group’s efficiency, reliability and reputation. A great many other initiatives have followed that first step and have led, in early 2024, to an important new chapter in this regard, namely: approval by the Piovan S.p.A. Board of Directors of a series of sustainability objectives. This concerns a comprehensive and ambitious framework designed to guide the organization toward a more sustainable and responsible future through measurable goals with established timeframes. The Sustainability targets adopted, in line with the Sustainable Development Goals (SDGs), underscoring the commitment of the Group - among other matters - is to reduce its environmental impact, promote diversity and inclusion, support the internal growth and development of its resources, and improve the overall sustainability of its supply chain.

Given the urgency of the need to deal with climate change and its long-term implications, the Piovan Group has set ambitious objectives to significantly reduce our carbon emissions and our overall consumption of resources. Of course, given the Group’s exposure to the sector, this commitment extends to promoting the principles of the circular economy, promoting a sustainable approach to product lifecycles and encouraging responsible consumption among all our customers.
The Piovan Group's strategy, in line with previous years, remains to offer solutions that enable the use of polymers from recycling, an approach rewarded by the results obtained and market feedback. The Group aims to offer state-of-the-art machinery capable not only of using recycled material in a far greater manner than required by the European Directive EU/2018/852, but also of ensuring excellent quality standards of the finished product despite the high recycled material content. This dual benefit makes it possible to provide more and more concrete incentives for the circular economy.

Value chain

As illustrated in the image below, the main actors/phases in the Group's value chain are developed through a series of strategic and interconnected processes, each aimed at ensuring high quality and continuous innovation. These phases include:

- **Research, Development & Engineering:** A crucial activity that is carried out both in-house, with a highly qualified dedicated team, and with the support of external R&D consultants, to push the boundaries of innovation even further and respond to market needs with cutting-edge solutions. At this stage, the Group focuses on the development of advanced technical solutions, analysis and design of the system and equipment needed to meet customers' requirements in a timely manner, combining technical expertise with a careful understanding of their needs.
- **Supply Chain / Procurement:** The Group carefully selects its suppliers, acquiring both raw materials and components and semi-finished products needed for production, maintaining high standards of quality and punctuality.
- **Transport:** Transport understood as upstream (from suppliers to the Piovan Group) and downstream (from the Piovan Group to its customers). Upstream, logistics concerns the transport of raw materials and semi-finished products from suppliers within the company for production operations. Downstream, transport focuses on the delivery of finished products from production sites to the Group's trading companies or directly to customers.

- **Sales&Process Solution:** A focused approach that does not just sell, but offers customized solutions designed to meet the specific needs of customers and ensure their maximum satisfaction.
- **Internal Production and Assembly:** A key stage in which the various components are assembled in-house, using advanced techniques to ensure that each final product perfectly meets the required standards of quality and functionality.
- **Installation:** Each product undergoes rigorous quality control testing to ensure that it meets international standards. Subsequently the system is installed at the customer's site, ensuring it works optimally and that the integration is in line with the customer's requirements.
- **Technical Support and Services:** After installation, the Group continues to support its customers with dedicated technical support services, ensuring timely solutions for any future needs and providing ongoing maintenance to optimize system performance.
- **Product end-of-life**: the Piovan Group designs and creates products with an average useful life of 10-15 years, which are generally replaced by the introduction of higher performance products, rather than because of limits to their functionality. In addition, all new generations of machines incorporate functions that under certain conditions, whether environmental or production, allow for optimized consumption. Once a machine is decommissioned, it can be dismantled for parts (mainly metal), which are over 85% recyclable[3].

The illustration of the value chain was carried out with the involvement of some Group management, using internal documents such as the transfer pricing document, financial statements, 2023 Sustainability Report and presentations to shareholders as support.
The data used derives from internal sources, such as the Group's supplier and customer databases, extracted from the ERP management system adopted by the Group and centrally integrated for branches using different systems. Data collection and processing was carried out at the head office in the fourth quarter of 2024.
The Group uses a very large number of suppliers (in 2024 it sourced from more than 6,000 suppliers) and sells its products to numerous customers (in 2024 it sold to more than 7,000 customers). Suppliers, simplifying, can be divided into two main categories, suppliers related to the Product category, and suppliers related to the Service category. Most of the products purchased are semi-finished products, such as medium metal carpentry, electromechanical and automation components. The Services category is mainly represented by transportation and consulting.

The Group positions itself in the middle of its value chain, carrying out R&D, Assembly and Production, Product Sales and Installation in-house. The installation of the system is sometimes outsourced to third-party vendors. The Group then offers after-sales service.

[3] Estimate based on a calculation performed at Piovan S.p.A.

[SBM-2]: Interests and views of stakeholders

In defining its sustainable success, listening to and dialogue with stakeholders is of paramount importance to the Piovan Group.

Stakeholders are constantly identified through internal and benchmark analyses to classify them into “affected stakeholders”, i.e., stakeholders directly involved in and/or impacted by Group activities, and “users of the sustainability Report” i.e., users of sustainability information.

Engagement and interaction with the Group's key stakeholders takes place through various activities, channels and tools, which are shown in the table below, along with the purpose of engagement and frequency.

STAKEHOLDER	DESCRIPTION	ENGAGEMENT	PURPOSE
Affected stakeholders			
Employees	All Group employees who work in the various departments in various roles, without any exception whatsoever.	Corporate intranet; on-boarding programmes; internal communications via meetings; e-mail and web media; internal feedback platforms; internal online surveys and questionnaires.	Employee involvement at Piovan Group is central to the company's core principles: Customer, People, Innovation.
Collaborators	All third parties that collaborate with the company (for example but not limited to consultants, agents, representatives, intermediaries).	Continuous dialogue and transfer of good practices and skills, sharing of the Code of Ethics, audits and quality assessmentAdministration of an ESG questionnaire to suppliers, as part of the qualification, incorporating a new set of ESG KPIs for supplier evaluation..	The involvement of suppliers and collaborators allows for improved relationship management practices and continuous improvement of the quality of the products offered to Piovan Group customers.
Suppliers	All the Group's suppliers of raw materials, semi-finished products, components and packaging, as well as support services providers and professionals.		
Customers	Our entire customer portfolio, including OEMs and distributors.	Interaction with sales and branch personnel, institutional website, trade fairs, events, seminars, customer service surveys, trade associations, social media. Training provided to some customers on the use of our equipment in some cases at the customer's facility, online or at our facilities.	Customers are a cornerstone of the Group's values and strategy. Listening to and involving the customer is always aimed at improving relations and the Piovan Group product offering.
Investors	All those holding shares in the Group, companies and people who invest capital.	Shareholders' meetings, press releases, institutional website, regular meetings and exchange of e-mails with the Investor Relator function as per the Policy for the Management of Dialogue with General Shareholders.	Ensuring transparent information flows between top management and the Group's investors
Local community and society at large	Local entities and communities, citizens and society at large in the regions where the Group has its production facilities and offices.	Projects, agreements with local businesses in the region where the organisation operates.	Commitment to create shared value, fostering the sustainable development of the territory in which it operates
Trade union organizations	Associations of workers that represent and protect the collective and individual contractual interests of workers.	Meetings for the presentation of business plans or meetings to present agreements.	Similarly to employee engagement, the involvement of trade unions is aimed at improving the relationship between the company and workers
Universities and higher technical institute of mechatronics	Universities and centres of Research involved in research processes for improved use of post-consumer recycled polymers. Higher technical institute of mechatronics (ITS meccatronici) involved in internship and recruitment projects.	Collaboration with universities through research projects and internships located in various company departments, sometimes resulting in recruitment; participation in various Career Day events at different universities.	Collaboration with universities and educational institutions is a tangible sign of the Group's presence in local communities and its focus on young talent.

Stakeholder engagement has as its overall purpose the continuous improvement of business practices at every level. Stakeholders' interests and views are always considered, including during the Double Materiality analysis. For example, through the collection of feedback from customers through the

Customer Service Survey and internal working groups established to analyze and propose areas of improvement to increase internal business satisfaction, some business processes have been improved.

Precisely as part of the double materiality analysis, which was approved by the Board of Directors on December 19, 2024, the highest governing body and all other administrative, management and supervisory bodies were informed about the interests and views of the stakeholders involved regarding the sustainability-related impacts of the company.

The pursuit of sustainable success has been at the heart of the Piovan Group's strategy for many years.

During 2024, the Whistleblowing channel was adapted to the latest regulatory changes on the subject. At the same time, the corporate strategy was revised to further integrate stakeholder interests and views, with a focus on ESG objectives. Prominent among these achievements are the calculation of indirect emissions (Scope 3 emissions) and climate risk analysis for all Group production sites, highlighting a concrete commitment to sustainability and transparency.

[SBM-3]: Material impacts, risks and opportunities and their interaction with strategy and business model

The table of material topics with the ESRSs that are referenced and will be disclosed is shown below:

Environment-related impacts, risks and opportunities

I/R/O	ESRS	Positive / negative / actual / potential	Name	Description	Value chain		Time horizons
				Environment-related impacts, risks and opportunities			
Impact	E1	POSITIVE ACTUAL	Positive impact on the market through products that can use recycled plastic.	Commitment to the development of products aimed at ensuring that the raw material used by our customers is recovered from the environment and reprocessed, recycled in order to create new products, thus reducing the need for scarce materials on the planet.	Value Chain (downstream)	Customers	Short term
Impact	E1	NEGATIVE ACTUAL	Negative impact on the environment resulting from energy consumption for its own production.	The Group, just by existing as such, has a negative impact on the environment due to the energy used. The Group, through the measurement of its consumption and energy mix, and through the sustainability objective of installing PV and/or purchasing energy from renewable sources, will mitigate this impact and achieve, in addition to an economic benefit for the savings achieved, better environmental and reputational performance.	Own Operations		Short term
Impact	E1	POSITIVE ACTUAL	Reducing the energy impact of products by offering customers increasingly energy efficient products, contributing to the mitigation of climate change.	By selling products that comply with legislative provisions aimed at reducing energy consumption, we want to give our customers an advantage in terms of reducing emissions.	Own Operations		Short term
Impact	E1	NEGATIVE ACTUAL	Climate impact for emissions emitted.	The Group, just by existing as such, has a negative impact on the environment due to the emissions it releases into the atmosphere. The Group, through the measurement of its emissions and through the sustainability objective of reducing its emissions, will mitigate this impact and achieve, in addition to an economic benefit for the savings achieved, better environmental and reputational performance.	Own Operations		Short term
Risk	E1		Regulatory risk of introducing a plastic tax	Risk of losing part of the sales market (packaging sector), caused by the introduction of a tax on plastic.	Vakue Chain (downstream)	Customers	Short, Medium and Long Term
Risk	E1		Risk of technological failure for the recycled plastic supply chain.	Risk of loss of competitiveness on the market for the development of products that do not comply with the criteria of the circular economy due to the failure or inadequate implementation of the new green technologies given by the Union (55% of recycled plastic packaging waste by 2030)	Own Operations		Long Term
Risk	E1		Physical climate risks.	Physical weather hazards such as floods, windstorms, heavy rainfall, cold waves, and tornadoes.	Own Operations		Short, Medium and Long Term
Risk	E1		Risk of failure to develop energy efficient products.	Risk of loss of competitiveness resulting from placing on the market products that are not in line with the Eco-design Directive.	Own Operations		Medium and Long Term
Risk	E1		Regulatory risk arising from greenhouse gas regulations (CBAM).	Regulatory risk from Greenhouse Gas Regulation (CBAM). The introduction of carbon border adjustment schemes, such as CBAM, could represent a potential risk related to the rising costs of key raw materials such as metals.	Own Operations		Short, Medium and Long Term

I/R/O	ESRS	Positive / negative / actual / potential	Name	Description	Value chain		Time horizons
Risk	E1		Risk of unavailability of low-cost raw materials.	Risk of unavailability of low-cost raw materials due to fluctuations in raw material prices with consequences on the continuity of the value chain.	Value Chain (upstream)	Suppliers	Short term
Opportunity	E1		Increased market share related to circular economy.	Increased market share in the plastic recycling sector through business expansion due to investments in research and development for ad hoc technologies.	Own Operations		Long Term
Opportunity	E1		Increased market share related to circular economy in emerging markets.	Business growth in countries (such as China and India) where the use of recycled plastic has not been regulated to date; business growth in industrial segments that could open up to recycled plastic.	Own Operations		Long Term
Opportunity	E1		Improved reputation and competitiveness resulting from alignment with decarbonisation objectives.	Improvement of the corporate image and competitiveness on the market linked to the definition and implementation of a decarbonisation strategy, aligned with international objectives.	Own Operations		Long Term
Opportunity	E1		Electric car industry market share increase.	Development of products for the automotive sector, especially for the electric car market. Plastic components are lighter and more versatile, suitable for electric cars to ensure greater autonomy.	Value Chain (downstream)	Customers	Long Term
Impact	E2	NEGATIVE POTENTIAL	Climate impact of microplastic generation and use along the downstream value chain.	Possible negative climate impact due to generation and use of microplastics by the Group's customers	Value Chain (downstream)	Customers	Short term
Impact	E5	POSITIVE POTENTIAL	Positive impact resulting from the use of potentially recycled and recyclable materials.	Positive impact resulting from the use of potentially renewable and recyclable materials. Once the product has been disposed of, if recycled correctly, it is approximately 85% recyclable.	Own Operations		Short term

Social-related impacts, risks and opportunities

I/R/O	ESRS	Positive / negative / actual / potential	Name	Description	Value chain		Time horizons
Social-related impacts, risks and opportunities							
Impact	S1	POSITIVE ACTUAL	Creating jobs with adequate conditions in accordance with the regulations in force in each State and ensure adequate wages, adequate working hours and safe employment.	Positive impact given by the creation of safe workplaces, with adequate conditions, consistent with the Code of Ethics and with the policies on working hours, protection of human rights and DE&I.	Own Operations		Short term
Impact	S1	POSITIVE ACTUAL	Ensure, in line with national regulations, respect for fundamental workers' and social rights such as freedom of association, social dialogue and apply collective bargaining where applicable.	Piovan Group encourages the participation and responsible involvement of its people, also through social dialogue, to improve their inclusion and to fully understand its values and culture. Free association with trade unions and collective bargaining organizations that operate locally is also guaranteed, ensuring a constructive dialogue aimed at continuous improvement.	Own Operations		Short term
Impact	S1	POSITIVE POTENTIAL	Training and dissemination of a culture for the removal of all forms of violence or harassment in the workplace.	The Group is committed to promoting the removal of all forms of discrimination and moral or psychological violence based on gender, age, sex, religion and sexual orientation, through the DE&I policy and the Human Rights policy, and through training through the Group. Academy	Own Operations		Short term
Impact	S1	POSITIVE POTENTIAL	Spread a correct culture of diversity, equal opportunities and inclusion.	The Group has adopted the policy for the protection of diversity, equity and inclusion in 2023 and will develop adequate working practices and conditions to ensure equal opportunities.	Own Operations		Short term
Impact	S1	POSITIVE ACTUAL	Employee training and development generate a positive impact on the employees themselves and on the Group through increased skills.	Training is considered a strategic resource, which creates a positive impact on employees by increasing their skills and their level of satisfaction. The training areas involve the entire production process and all the departments present.	Own Operations		Short term
Impact	S1	POSITIVE ACTUAL	Increased attention to health and safety issues and anticipation of related risks	By identifying hazards and assessing risks, the work environment has been made safer and, as a result, any risks to people's health and safety have been reduced. In 2023, the Group's health and safety policy was approved and ongoing training is being provided on the topic.	Own Operations		Short term
Impact	S1	POSITIVE ACTUAL	Greater well-being of people and individual motivation.	Definition and development of initiatives to promote the well-being of the Group's people, in order to allow and promote a conciliation between private and professional life, generating positive impacts on the entire corporate community.	Own Operations		Short term
Impact	S1	NEGATIVE POTENTIAL	Potential negative impact of failure to comply with the principles of gender equality and equal pay.	The Group, aware of the potential negative impact resulting from failure to comply with the principles of gender equality and equal pay, has adopted a policy (DE&I) to ensure respect for equal opportunities in every aspect of working life, including remuneration and professional classification, inspired by the principles of the ILO and its own Code of Ethics.	Own Operations		Short term
Risk	S1		Risk of lack of recruitment policies due to gender gap.	Risk of inadequate management of the gender equality issue with consequent losses in terms of workforce.	Own Operations		Short term
Risk	S1		Health and safety risk.	Risk of not promptly adapting measures aimed at increasing health and safety in the workplace with possible costs related to compensation and/or monetary compensation	Own Operations		Short term
Impact	S4	POSITIVE ACTUAL	Customer involvement in the commercial offer development process.	Commitment to the development of innovative projects by involving customers in the development and production process from the initial request phase to the development of the commercial offer (co-engineering).	Value Chain (downstream)	Customers	Short term

I/R/O	ESRS	Positive / negative / actual / potential	Name	Description	Value chain		Time horizons
Impact	S4	POSITIVE POTENTIAL	Contribution to the development of innovative technological solutions, providing its customers with new products and services.	Development of innovative technological solutions through Research and Development activities and collaboration with external partners such as customers, suppliers, research centers and universities. Contribution to the growth of the sector and local markets. Promotion of increasingly sustainable technologies and products contributing to the economic, social and environmental well-being of the community.	Value Chain (downstream)	Customers	Short term
Impact	S4	POSITIVE ACTUAL	Attention to the quality of products and services.	Commitment to adopting high standards of quality and safety. Adoption of management systems to guarantee to customers the safety of the product and service sold.	Value Chain (downstream)	Customers	Short term
Impact	S4	NEGATIVE POTENTIAL	Negative impacts to all stakeholders due to cybersecurity non-compliance.	An internal hacking attack could damage not only the company's reputation but also some stakeholders, such as employees, customers and suppliers. To counteract this potential negative impact of internal and external hacking, the company has adopted an ICT Policy in the head quarter and an ICT Corporate Security Officer.	Own Operations		Short term
Impact	S4	POSITIVE ACTUAL	Positive impact on stakeholders resulting from the protection of personal data.	The Group applies, in accordance with national legislation, the privacy manual and disseminates information for the processing of personal data, guaranteeing stakeholders confidentiality and non-dissemination of their personal data and compliance with the applicable legislation on the matter.	Own Operations		Short term
Impact	S4	NEGATIVE POTENTIAL	Possible loss of sensitive and confidential data of customers and suppliers.	The Group uses appropriate practices for the management of sensitive customer and supplier data, in accordance with the GDPR and national legislation.	Own Operations		Short term
Risk	S4		Risk of internal hacking.	Risk of internal hacking with consequent dispersion of confidential information and company know-how with possible loss of customers.	Own Operations		Short, Medium and Long Term
Risk	S4		Risk of external hacking.	Risk of external hacking, and inadequate management of logical access with consequent impacts on business and reputation.	Own Operations		Short, Medium and Long Term

Governance-related impact, risks and opportunities

I/R/O	ESRS	Positive / negative / actual / potential	Name	Description	Value chain		Time horizons
Governance-related impact, risks and opportunities							
Impact	G1	POSITIVE POTENTIAL	Spreading a correct corporate culture through training actions.	Positive impact resulting from the dissemination of the principles contained in the Code of Ethics to the entire Group and commitment to ensure continuous and cyclical training on these issues. One of the Group's objectives is precisely to increase the hours of training per capita.	Own Operations		Short term
Impact	G1	POSITIVE ACTUAL	Ability to generate wealth for the benefit of its stakeholders.	Economic growth is seen as an integral part of the strategy, to create long-term value for all stakeholders	Value Chain (upstream, downstream, own operations)		Short term
Impact	G1	POSITIVE ACTUAL	Positive impacts on the territory for tax payment.	The Group, by committing to pay taxes in the various countries in which it operates, creates positive impacts on the territory by supporting locally where it is present.			Short term
Impact	G1	POSITIVE POTENTIAL	Potential positive impact resulting from the possibility of reporting anonymously for stakeholders.	Positive impact resulting from the provision of an external ad hoc platform with adequate levels of protection. The Group has set up an ad hoc procedure, an ethics committee with an independent external member and is committed to providing training on the use of this tool and on the relevant legislation.	Own Operations		Short term
Impact	G1	POSITIVE ACTUAL	Positive impacts on shareholders and potential investors resulting from the transparency of information provided to the market and an adequate system of dialogue with shareholders.	The Group, through the adoption of the policy for dialogue with shareholders, through all the obligations connected to market abuse regulation and through continuous training for the governing bodies, guarantees transparent communication with the market.	Own Operations	Investors	Short term
Impact	G1	POSITIVE ACTUAL	Benefits for all stakeholders through high ethical standards.	An adequate Governance system allows the creation of value in the long term and guarantees stable and lasting relationships with all stakeholders involved. We adopt the principles of the Corporate Governance Code of Listed Companies.	Entire Value Chain		Short term
Impact	G1	POSITIVE ACTUAL	Positive impact resulting from correct management of suppliers also considering compliance with payment practices agreed with them.	Positive impact resulting from consolidated relationships with its suppliers, respecting payment conditions, certain that a healthy and transparent collaboration with its supply chain brings long-term benefits by reducing the risk of delays in deliveries, reducing inefficiencies in production, improving service to the end customer.	Value Chain (upstream)	Suppliers	Short term
Impact	G1	NEGATIVE POTENTIAL	Episodes of corruption.	The Group, aware of the potential negative impact that corruption incidents could have, is committed to preventing any incidents through the application of policies, procedures and reporting mechanisms for potential irregularities or illicit behavior. Through the Code of Ethics, it is committed to ensuring fairness in relationships.	Own Operations		Short term
Impact	G1	NEGATIVE POTENTIAL	Negative impacts on the environment and society due to failure to select virtuous suppliers.	Possible inadequate management of supplier selection procedures and failure to monitor the supply chain according to ESG criteria, with the consequent lack of assessment of the social and environmental impact of its supply chain. The Group will adopt a Group policy and a vendor ranking to evaluate and monitor suppliers from an ESG point of view.	Own Operations		Short term
Risk	G1		Risk of inconsistency between the sustainability strategy and the business strategy.	Risk of inconsistency between the sustainability strategy and the business strategy and of failure to communicate and disseminate the values of the organizational culture at all levels of the organization.	Own Operations		Short and Medium Term

As will be described in more detail in the sections corresponding to each ESRS topic, material impacts, risks and opportunities are related to the strategy and business model. Please refer to the disclosure of individual material topics regarding the interaction of each impact with the Group's corporate strategy and business model and resilience strategy if there are negative impacts.

The results of the double materiality analysis conducted are consistent with the results already presented in previous years, indicating a clear understanding of the context in which the Group operates and the impacts it has on stakeholders. In fact, no topic that was material last year was found to be non-material in 2024. The number of material topics has increased following some reclassifications and splitting of topics in line with ESRS. Material topics increased from 11 in 2023 to 19 in 2024.

Related material impacts total 29, including 13 new impacts identified this year following an in-depth analysis of all topical standards introduced by Delegated Regulation EU/2023/2772 (ESRS). The analysis enabled a clearer understanding of the regulations and the identification of the differences between the materiality analysis required by the GRIs and the double materiality analysis required by the ESRS standards. The analysis focused both on the Piovan Group's internal environment and on upstream and downstream operations, that is, along the entire value chain. Further, the Piovan Group's risks and opportunities were identified in line with the financial materiality analysis, and 11 material risks and 4 material opportunities were identified following the materiality assessment.

In relation to the risks and opportunities identified as material, the Piovan Group has experienced limited current financial effects on its financial position, results of operations or cash flows during the reporting period. In addition, as at the date of publication of this document, no elements have emerged that might suggest the existence of a significant risk of impairment or adjustment, in the next financial year, of the book values of assets and liabilities reported in the Group's Consolidated Financial Statements. Please refer to the various thematic chapters for further details.

Impact, risk and opportunity management

[IRO-1]: Description of the processes to identify and assess material impacts, risks and opportunities

In line with the Sustainability Reporting Directive (EU) 2022/2464 (CSRD) and the Group's commitment to sustainability, a structured approach was adopted to determine the relevant information to be disclosed.

Compared with the previous reporting period, changes were made to the Materiality Analysis process: impact materiality was updated to comply with regulatory requirements, financial materiality was conducted for the first time, taking advantage of the ERM process. This change ensures a more comprehensive and integrated analysis of impacts, risks and opportunities, which will be reviewed on an annual basis to ensure alignment with best practices, developments and regulatory and organizational changes. With reference to current reporting, the double materiality analysis was approved by the Board of Directors on December 19, 2024.

The process, as well as the methodologies and assumptions applied in arriving at the list of material impacts, risks and opportunities presented in ESRS SBM-3 is outlined below.

Understanding of context

The analysis, which covers the entire value chain, aims to identify the Group's outward impacts ("impact materiality from an inside-out perspective") and, for the first time, also the risks and opportunities that arise for the Group in its interaction with the environment and society ("financial materiality from an outside-in perspective").

As a first activity, a mapping of the context in which the Group operates was carried out, according to external and internal directions.
In terms of outward analysis, the main activities were:

- Analysis of the legal and regulatory environment, business activities and relationships;
- Benchmarking analysis of sustainability disclosures of peers and leaders in the sustainability industry;
- Sector analysis.

The outward analysis also included consultation with external sources:

- "The Global Risk Report 2024" - World Economic Forum;
- "Risk In Focus 2024" - European Confederation of Institutes of Internal Auditing;
- "Sustainability Accounting Standards - Materiality Finder" - SASB;
- "European Sustainability Reporting Standards" - EFRAG;
- "Due Diligence Guidance for Responsible Business Conduct" - OECD.

As for the internal analysis:

- All key activities were outlined and included the production processes and geographical location of the Group's production sites;
- Focus groups and interviews with internal stakeholders were conducted;
- Internally available documents (e.g., Code of Ethics, Diversity, Equity and Inclusion Policy (DE&I), Human Resources Policy, Environmental Policy, 231 Model) and materiality analyses conducted in previous years were analyzed.

Regarding the stakeholders involved, please refer to the section "[SBM 2]: Interests and views of stakeholders."

Identification of sustainability-related impacts, risks and opportunities.

The ESRS Standards define impacts as the effects a company can or could have on the environment and people, including effects on human rights, related to both business activities and the value chain, both upstream and downstream, through its products, services or business relationships.
In the process of identifying impacts, reference was made to Appendix A of ESRS 1 and Application Requirement 16, which provides a starting list of ESG topics to consider when identifying impacts based on one's specific situation.
Through continuous dialogue and direct stakeholder engagement, impacts, positive/negative, actual/potential, intentional/unintentional, and reversible/irreversible, that may occur in the short, medium or long term and on the various stages of the value chain were mapped. They indicate the enterprise's contribution, negative or positive, to sustainable development.

Subsequently, starting from the longlist of impacts, risks and opportunities were identified.

The main actions for identifying risks and opportunities are reported below:

- An in-depth analysis of the processes in place for risk management was carried out, examining the Group's currently implemented ESG ERM (Enterprise Risk Management), prepared according to the CoSO-ERM Integrated Framework. The analysis performed was reviewed by the Internal Auditor;
- The analysis was also expanded to Group ERM, with the understanding that sustainability-related risks are cross-cutting and can impact all Group functions;
- Each impact was examined to identify potential risks or opportunities related to it;
- Additional risks were identified through benchmark and general risk analysis, particularly the World Economic Forum's "The Global Risk Report 2024" and the European Confederation of Institutes of Internal Auditing's "Risk In Focus 2024". ESRS Standards, with the aim of gaining a greater understanding of the new disclosure requirements, and the Standards under the SASB were also analyzed in depth;

- As with the identification of impacts, numerous internal sources were also analyzed, such as the 231 Model, Code of Ethics, Diversity, Equity and Inclusion Policy (DE&I), Human Resources Policy and Environmental Policy.
- During the fourth quarter of 2024, with the support of external consultants, an analysis was conducted that led to the identification and assessment of risks arising from climate change, specifically physical risks (which consider financial effects arising directly from adverse climate events) and transition risks (which consider financial effects arising from the transition to a low-carbon economy). More details on the analysis conducted are presented in ESRS thematic section E1.
- The identification of opportunities was conducted taking into account corporate strategy and identifying, through meetings with top management, possible business developments related to ESG impacts and risks,

In an effort to include all relevant IROs from the sectors in which the Group operates.
The analysis conducted resulted in the identification of 41 impacts, 25 risks and 8 opportunities, correlated in 23 material topics.
In the process of identifying the longlist of impacts, risks and opportunities, a number of assumptions were applied, which were useful for contextualizing and casting the ESRS Standards in the specific context of the Piovan Group.

In particular, following an in-depth analysis of the operations and business, some topics in AR16 of ESRS 1 emerged as not applicable, given the Group's specificities, as detailed in the following table.

Non-applicable topics, sub-topics, sub-subtopics - ESRS 1 AR 16 list	Reference Disclosure Requirement(s)	Description
ESRS E2: Pollution of living organisms and food resources		The requirements of this sub-topic are not applicable due to absence of direct impacts of this type
ESRS E3 - Water discharges in the oceans, Extraction and use of marine resources		Piovan Group's production activity essentially consists of assembly, and water is not a resource that is used in the production cycle. It is not, for example, stored for future use, or used in products or for cooling purposes. As such, the Piovan Group has not identified significant impacts related to the use of water along its value chain, either in terms of consumption or discharge. The use of water resources therefore derives almost entirely from civil use, i.e. for hygiene services and catering areas.
ESRS E4 Biodiversity and ecosystems	ESRS E4: all DRs	The requirements of this topic are not applicable for the Piovan Group as there are no direct impact drivers of biodiversity loss, species status, ecosystem extent and condition, and other impacts or dependencies in terms of ecosystem services. The conclusions on this ESRS topic are also supported by the results of the materiality analysis that has been conducted in past years and updated.
ESRS S4 – Consumers and end-users		The requirements in this topic are not applicable, except for the sub-subtopics "privacy" and "health and safety", which are deemed applicable and evaluated.
ESRS G1 - Animal welfare		The requirements of this sub-topic are not applicable due to absence of direct impacts of this type.

Assessment of impacts, risks and opportunities related to sustainability issues

Following evaluation by internal and external stakeholders, a topic may be material from the perspective of impact materiality, from the perspective of financial materiality or from both perspectives.
The assessment of the materiality of impacts is based on severity, which depends on the various factors of scale, scope and irremediable character (for negative impacts only) and likelihood (for potential impacts only). The assessment of the significance of risks and opportunities is based on scale and likelihood (for potential impacts only). In the impact materiality assessment, a sample of internal and external stakeholders was involved, including suppliers and customers selected globally through an online questionnaire, as well as key representatives of the company's management, first-line reports, and employees selected based on their knowledge and influence on the identified impacts. In line with the methodology used last year, the evaluation scale ranges from 1 to 5.
The assessment of the relevance of risks and opportunities is based on magnitude and probability (only for potential impacts) and is conducted by select members of Top Management, the Internal Audit function, the CEO, and the sustainability team through focus groups held in November and December 2024.
The calculation methodology used for financial materiality follows the principles of CoSO Enterprise Risk Management, and thus involves the assessment of inherent risk, understood as the probability of occurrence of the risk event multiplied by the potential financial effect that this risk may have (magnitude) on the business, in terms of reduction of profit before tax (thus considering both cost increases—operating and capital expenditures—and revenue reductions). The inherent risk is then calculated using the probability per impact (“PxI”), as for impacts. Subsequently, an assessment was made of the mitigation actions (of the identified risks) currently implemented by the Group. By combining the inherent risk assessment with the assessment on mitigation actions, the residual risk was identified. Residual risk was then assessed over three time horizons: short, medium and long term.

The threshold for impact and financial materiality was set at 3. A risk or opportunity was considered material if it is equal to or greater than 3 in at least one of the three identified time periods.
Finally, starting from the assessments that passed the materiality threshold, it was possible to sort impacts, risks and opportunities according to priority.

In a process of progressive integration of sustainability matters (and consequently also sustainability-related risks) within the more general management of the company, the risks identified and assessed as material will be integrated into the broader Enterprise Risk Management system adopted by the Group, under the supervision of the Internal Auditor.
The entire Double Materiality analysis process was overseen and coordinated by the Sustainability Report Manager.

Description of the processes to identify and assess material impacts, risks and opportunities related to ESRS standards E1, E2, E5, G1

Provided below is a description of the process for identifying IROs related to the following standards:

E-1: Climate change-related impacts, risks and opportunities are continuously monitored by the Group. Analyses conducted in conjunction with the double materiality process identified physical hazards including heat waves, wind storms, cyclones, water stress, drought and flood. A specific analysis was conducted for each of the Group's production facilities, as required by the Substantial Contribution to the Adaptation of the Climate Delegated Act - Annex II of EU Regulation 852/2020 on Taxonomy. The transition risks identified stem from the shift to a low-carbon economy, which may involve significant regulatory, economic, technological, and business changes. These can be summarized as: risk related to availability of low-cost raw materials; risk of market share loss to other players with more energy-efficient solutions; risk of lost competitiveness from bringing products to market that are not in line with the Eco-Design Directive; regulatory risk from the introduction of a plastics tax; and risk of new product development that does not meet circular economy criteria.

E-2: The Group's analyses of pollution-related impacts, risks, and opportunities found that these are mainly related to transactions downstream in the value chain, and relate particularly to microplastics from the development and use of sold products.

E-5: As regards resource use and circular economy, on the other hand, the Group carried out a recyclability analysis on certain types of products considering the nature of the business to identify the main impacts, risks and opportunities, on its own operations.

G-1: In terms of business conduct, the Group has taken into account all criteria deemed relevant in its process to identify relevant impacts, risks and opportunities, including the Group's geographic location, type of business, governance structure, business model and corporate structure.

No other activities were conducted in relation to identifying impacts, risks and opportunities other than those already listed in the table in the previous section.
Regarding the disclosure requirement IRO – 2 – Disclosure requirements in ESRS covered by undertaking's sustainability statement, please refer to the last section of this report: "Other mandatory information".

[MDR-P] Policies adopted to manage material sustainability matters

Code of Ethics and Sustainability Policies

In order to clearly define core values and responsibilities, the Piovan Group has decided to adopt a Code of Ethics, approved by the Board of Directors of the parent company, transposed by the subsidiary entities and intended for the corporate bodies, auditors, staff as well as all those who work in a relevant or continuous manner in the name of, on behalf of or in the interest of the Piovan Group. Compliance with the Code of Ethics by addressees, each within the scope of its functions and responsibilities, is fundamental to the efficiency, trustworthiness and reputation of the Piovan Group. The values and principles set out in the Code seek to increase organizational efficiency and guide addressees towards positive objectives that are beneficial both for those directly concerned and for the environment as a whole, through the improvement of internal relationships and attention to good reputation. The Code of Ethics can be found on the company website www.piovan.com, Investors/Corporate Governance/Corporate Documents section.

Through the Code of Ethics, the Group wanted to highlight and disseminate the principles of behavior and values that have always accompanied it: fairness, integrity, transparency, diligence, professionalism, impartiality, occupational health and safety, quality, environment and human rights.

On March 6, 2024, the Company's Board of Directors approved an update to the Code of Ethics, which was also appropriate as a result of the actions taken by Piovan in order to comply with the most recent regulatory interventions on whistleblowing.

During 2023, the Board of Directors of Piovan S.p.A. approved six ESG Policies:

- Environmental Policy
- Health and Safety Policy
- Diversity, Equality and Inclusion Policy
- Human Rights Policy
- Working Hours Policy
- Tax Management Policy.

During 2024, 21 Group companies transposed and adopted ESG Policies, bringing the number of subsidiaries that have adopted them to 38, or 92% of the Group.

Please refer to the following sections for more information on the above policies.

[MDR-M] [MDR-T] Metrics and targets in relation to material sustainability matters

The metrics adopted in relation to each relevant sustainability theme and targets are explained in the individual thematic chapters, in accordance with the requirements of the ESRS. Each metric is clearly identified through specific names and/or definitions and, as appropriate, the methodologies applied, significant assumptions made and any limitations of the methodologies are detailed. In addition, it is indicated whether the measurement has been validated by an external body, if different from the auditing firm.

Environmental information

EU Taxonomy - Disclosure pursuant to Article 8 of Regulation (EU) 2020/852

Framework

This section fulfills the reporting requirements defined by EU Regulation 852/2020 (hereinafter also the "Regulation", "Taxonomy"). The disclosure refers to, among others, Delegated Regulation 2021/2139 (hereinafter also referred to as "Climate Delegated Regulation") and Delegated Regulation 2023/2485 (hereinafter also referred to as "Environment Delegated Regulation"), which introduce the list of economic activities eligible for the EU Taxonomy for environmental targets and the related technical screening criteria, and finally, Regulation 2021/2178 (hereinafter also referred to as "Article 8 Delegated Regulation" or "Disclosure Delegated Regulation").

The European Taxonomy sets out six environmental objectives for identifying environmentally sustainable economic activities:

1. Climate change mitigation;
2. Climate change adaptation;
3. Sustainable use and protection of water and marine resources;
4. Transition to a circular economy;
5. Pollution prevention and control;
6. Protection and restoration of biodiversity and ecosystems.

In the overall strategy outlined by the European Commission to finance sustainable growth, a central role is assigned to the harmonization of the criteria used to determine whether an economic activity can be considered environmentally sustainable in terms of certain environmental objectives. An economic activity is therefore defined as environmentally sustainable, according to the principles of Taxonomy, if:

- it contributes substantially to the achievement of one or more of the six environmental objectives mentioned above;
- it does no significant harm to any of the environmental objectives (Do No Significant Harm principle - DNSH);
- it is carried out in compliance with minimum safeguards (procedures implemented by an undertaking that is carrying out an economic activity to ensure alignment with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights);
- it complies with the technical screening criteria adopted by the European Commission (which provide concrete specifications for the general definitions set out in the Delegated Regulation on disclosure) with respect to the substantial contribution of an economic activity to environmental objectives without causing significant harm to them.

As per Article 8 of the Taxonomy Regulation, companies are required to include in their Sustainability Reports information on how and to what extent their activities are associated with environmentally sustainable economic activities. Environmentally sustainable activities are identified according to the criteria set out in the Taxonomy Regulation. On July 6, 2021, the EU Commission published the final version of the Delegated Regulation, which indicates the content, timing and manner in which this information must be published. In particular, non-financial companies must publish information on:

- turnover derived from products or services associated with Taxonomy-aligned economic activities;
- the portion of capital expenditure (CapEx) and operating expenditure (OpEx) relating to assets or processes associated with Taxonomy-aligned economic activities.

The Piovan Group’s business

As extensively explained in Part 1 of the Directors' Report, the Group develops, manufactures and markets systems and equipment for use in the storage, transportation and processing of both virgin polymers, recycled plastics and bioplastics, as well as major food powders such as, for example, sugar, flour, cocoa and milk powder, in addition to creams and viscous liquids. The Group's technical solutions include:

- the design of plants, systems and engineering solutions;
- the production of machinery necessary for the operation of plants and systems;
- installation at the customer's production plants.

The Group also supports its customers globally through continual technical assistance, including the sale of spare parts for machinery and the provision of a range of additional services, and support activities from the preliminary design phase through to installation and initialization of the equipment and machinery.

The Piovan Group’s production activity essentially consists of assembly, and as such is not as energy intensive as manufacturing.

Process for determining the eligibility of the Piovan Group's activities

For the identification of eligible activities under the Taxonomy, the activities carried out by the Piovan Group were analyzed with the aim of determining which of them could be traced back to those defined to date in these Regulations. To this end, first of all, a punctual screening of the activities included in the technical reference documents for the six objectives of Article 9 of the Regulation and a comparison of the respective NACE/ATECO codes of the Group's Legal Entities, as well as with the qualitative descriptions of the activities, was carried out. When deemed necessary, ad hoc follow-ups were also carried out with company contact persons to further assess the identification of the economic activities under analysis, thus ensuring an accurate mapping of the activities to be considered within the Taxonomy. Economic activities eligible for more than one environmental objective were analyzed only according to the technical screening criteria of the most relevant one to avoid the risk of double counting.

Activities assessed as eligible based on the definitions included in the Regulations:

- **3.6. Manufacture of other low carbon technologies** (NACE code C23 and C28)**.** The environmental objective of this activity is Climate Change Mitigation.
- **5.1 extend the service life of products by repairing, upgrading or remanufacturing products that have already been used for the purpose intended by a customer** (NACE codes C28.93 and C28.96)**.** The environmental objective of this activity is Transition to a Circular Economy.
- **7.6. Installation, maintenance and repair of renewable energy technologies.** The environmental objective of this activity is Climate Change Mitigation.

Activity 3.6 Manufacture of other low carbon technologies

The Piovan Group portfolio includes technologies and machinery to provide solutions that help its customers to reduce energy consumption and therefore, indirectly, emissions.
These technologies include, for example:

- Some families of Dryers, such as Genesys (GP and GMP) and Genesys Next (GN). All Piovan Genesys dryers, with the exception of GMP Smart, are equipped with inverters that modulate the air flow rate and therefore also the electrical power used. The reduction of internal pressure drops within the machine, and therefore the reduction of the energy required to move the air through the ducts, guarantees a range of products with lower energy consumption than other products on the market.
  In addition to being equipped with inverters, Genesys dryers are able to modulate energy consumption according to hourly production and are therefore known as "Adaptive". They also contain sensors that allow optimization of the temperature inside the hopper containing the material to be dried.
  Genesys Next products, on the other hand, are designed not only to optimize energy consumption, but also to optimize production. They are a specific product for the world of recycling, containing a PureTech filter that removes the airborne contaminants generated during the drying of recycled material. This makes the dryer not only efficient, but also suitable for any application in the recycling world.

- Some families of Chillers, such as: Easycool and Ecosmart. Chillers and drycoolers can use gases with low GWP (Global Warming Potential). Their energy performance is above the regulatory reference values, guaranteeing higher performance than the market average.

Group companies involved in these activities and for which the analysis was conducted are Piovan S.p.A., Aquatech S.r.l., Universal Dynamics Inc., Thermalcare Inc. and PGNA Inc. (a company operating primarily under the Conair brand).

Referring to documents published by the European Commission, the Piovan Group considered these activities to be eligible, and in particular to fall under the category **"3.6. Manufacture of other low carbon technologies, with the intention of developing technologies to reduce greenhouse gas emissions".**

Activity 5.1 Extend the service life of products

The Piovan Group has always paid attention to providing technical assistance to its customers, which is expressed through technical support and spare parts marketing that is carried out through its network of services & sales companies in order to maintain plant efficiently after transferring it to the customer. Technical support activities typically consist of: (i) contracted scheduled maintenance activities; (ii) on-call maintenance activities by the customer; (iii) identification and supply of the correct spare parts; and (iv) telephone support for the resolution of first-level interventions. Technical support also has the role of collecting all feedback received from customers subsequent to the installation phase of the systems in order to improve the performance of future generations of machines with a view to continuous improvement.

All Group companies in various capacities offer these kinds of services to customers, this being one of the strengths of Piovan's business model.

Referring to documents published by the European Commission, the Piovan Group considered these activities to be eligible, and in particular to fall under the category "**5.1 Extending the life of products by repairing, upgrading or remanufacturing products that have already been used for the purpose intended by a customer."**

Activity 7.6 Installation, maintenance and repair of renewable energy technologies

The Piovan Group has been on a virtuous path for a few years now to significantly reduce its carbon emissions and overall resource consumption. To achieve this goal, initiatives are planned in the short and medium term such as installing photovoltaic panels on major production sites and implementing energy-efficient technologies in its operations and optimizing supply through renewable sources. Thus, capital expenditures (CapEx) related to the purchase of products from Taxonomy-aligned economic activities and individual measures that enable the Group's activities to achieve low carbon emissions or greenhouse gas reductions were identified as eligible under this framework. In particular, the Piovan Group invested during 2024 in the installation of photovoltaic panels at the Fea ptp S.r.l. production site.

Methodology for calculating KPIs under the Taxonomy Regulation

Revenue

The Revenue KPI is defined as the ratio of the taxonomy-eligible turnover divided by the total turnover. For the calculation, the denominator is represented by the Revenues from ordinary operations, see the section 'Economic performance of the Group', for the numerator the eligible turnover was considered as described in the previous paragraph.

Capex

The Capex KPI is defined as the ratio of the additions to tangible and intangible assets considered eligible according to the Taxonomy divided by the total additions for the year. The denominator is the additions to tangible and intangible assets during the year considered before depreciation, amortisation, impairment and any revaluation, including those arising from restatements and reductions in value, for the year in question, and excluding changes in fair value. See the section 'Notes to the Consolidated Financial Statements'. With regard to the numerator, investments that allowed the Group to reduce atmospheric emissions were considered eligible for the taxonomy, including mainly investments incurred for '7.6 Installation, maintenance and repair of renewable energy technologies'.

Opex

The Operating Expenditure (OpEx) KPI is defined as the ratio of costs defined as eligible according to the Taxonomy divided by total direct non-capitalised costs related to research and development and maintenance. In line with the definition of OPEX in Delegated Regulation (EU) 2021/2178, research and development costs, maintenance and repair costs as well as direct costs related to the maintenance of property, plant and equipment have been considered in the denominator. With regard to the numerator, please refer to what is described in the following paragraph.

Process for determining the alignment of the Piovan Group's activities

Once the eligible economic activities were identified, specific analyses were carried out on the technical screening criteria set out in Annex I of the Climate Regulation and compliance with the minimum safeguards was checked in order to define the alignment of each of the economic activities with the climate change mitigation objective.

Analysis of substantial contribution

Activity 3.6

Requests for the substantial contribution criterion for Activity 3.6 require that the technology under analysis has the objective of substantially reducing life cycle GHG emissions and that this reduction relative to better alternative technologies/solutions/products available on the market is calculated using Commission Recommendation 2013/179/EU (or, alternatively, ISO 14067:201897 or ISO 14064-1:2018) and is verified by an independent third party.

The Piovan Group has external certifications confirming consumption savings against comparative bases, but upon further analysis of the technical screening criteria, it believes that none of the equipment included under this activity fully meets the requirements of the Delegated Regulation on disclosure.

Considering this, none of the Piovan Group's activities included within this subgroup can be declared "aligned."

It is emphasized that the substantial contribution of Activity 3.6 leaves wide room for interpretation and, as indicated by the FAQs published by the European Commission in December 2022, the application of the criterion leaves wide flexibility and is strictly dependent on the sector/activity to which it is applied.

Activity 5.1

In connection with the analysis of the technical screening criteria, it is noted that the activity in question meets the following criteria:

- The replaced parts, redeveloped products or remanufactured products are subject to a contract of sale, if any, and comply with the provisions on product conformity, seller liability (including the option of a shorter liability or limitation period for second-hand products), burden of proof, remedies for lack of conformity, how to exercise such remedies, repair or replacement of goods and commercial warranties;
- The business shall implement a waste management plan that ensures that product materials, especially critical raw materials and components that have not been reused in the same product are reused elsewhere or, where reuse is not possible (due to damage, degradation or hazardous substances), are recycled or, only where reuse and recycling are not feasible, are disposed of in accordance with applicable EU and national regulations.

The Group believes that this description is in line with the activities it conducts within the Service division, but as it has not been able to determine exactly whether these activities also meet the requirements identified by the principles of DNSH and Minimum Safeguards, it reserves the right to further analyze this in the near future.

Taxonomy summary data

The tables below summarize the Taxonomy data of the year 2024.

Share of turnover deriving from products or services associated with taxonomy-aligned economic activities

Financial year 2024	YEAR 2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	Code	Turnover	Proportion of Turnover, year 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomyaligned (A.1.) or -eligible (A.2.) turnover, year 2023	Category enabling activity	Category transitional activity
		€/000	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of other low carbon technologies	CCM 3.6	0	0,00%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0,00%	**E**	
Repair, refurbishment and remanufacturing	CE 5.1	0 €	0,00%	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0 €**	**0,00%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	Y	Y	Y	Y	Y	**0,03%**		
Of which enabling		**0 €**	**0%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	Y	Y	Y	Y	Y	**100%**	**E**	
Of which transitional		**0**	**0%**							Y	Y	Y	Y	Y	Y	Y	**0%**		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of other low carbon technologies	CCM 3.6	60,214 €	10,7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								5,31%		
Repair, refurbishment and remanufacturing	CE 5.1	87,932 €	15,7%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								15,48%		
Turnover of Taxonomyeligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		148,146 €	26,4%	26%	0%	0%	0%	74%	0%								20,79%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		148,146 €	26,4%	26%	%	%	%	74%	%								20,82%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomynon-eligible activities		413,680 €	**73,63%**																
TOTAL		561,826 €	**100%**																

	Portion of turnover/Total turnover	
2024	Taxonomy-aligned objective	Taxonomy-eligible per objective
CCM	0,00%	10,7%
CCA		
WTR		
CE	0,00%	15,7%
PPC		
BIO		

Share of CapEx from products or services associated with economic activities aligned with the taxonomy

Financial year2024	YEAR 2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	Code	CapEx	Proportion of CapEx, year 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023	Category enabling activity	Category transitional activity
Text	€/000	value	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,00%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**%**	**%**	**%**	**%**	**%**	**%**	Y	Y	Y	Y	Y	Y	Y	**0,00%**		
Of which enabling		**0**	**0%**	**%**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	Y	Y	Y	Y	Y	**0%**	**E**	
Of which transitional		**0**	**0%**							Y	Y	Y	Y	Y	Y	Y	**0%**		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	105 €	**1%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								7%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		105 €	**1%**	0%	0%	0%	0%	0%	0%								7%		
A. CapEx of Taxonomyeligible activities (A.1+A.2)		105 €	1%	100%	%	%	%	%	%								7%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-noneligible activities		19,718 €	**99%**																
TOTAL		19,823 €	**100%**																

	Proportion of Capex / Total Capex	
2024	Taxonomy-aligned per objective	Taxonomy-aligned per objective
CCM	0%	1%
CCA		
WTR		
CE		
PPC		
BIO		

Share of expenditure from products or services associated with economic activities aligned with the taxonomy

Financial year2024	YEAR 2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	**Code**	**OpEx**	**Proportion of OpEx, year 2024**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Minimum Safeguards**	**Proportion of Taxonomyaligned (A.1.) or -eligible (A.2.) OpEx, year 2023**	**Category enabling activity**	**Category transitional activity**
Text	€/000	value	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of other low carbon technologies	CCM 3.6	0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,00%	E	
Repair, refurbishment and remanufacturing	CE 5.1	0	%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**%**	**%**	**%**	**%**	**%**	**%**	**%**								**0,00%**		
Of which enabling		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0%**	**A**	
Of which transitional		**0**	**0%**														**0**		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (f)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of other low carbon technologies	CCM 3.6		**0,00%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Repair, refurbishment and remanufacturing	CE 5.1	3,024 €	**11%**	N/EL	N/EL	N/EL	N/EL	EL	N/EL								**10%**		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3,024 €	**10,7%**	%	%	%	%	%	%								**10%**		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		3,024 €	10,66%	%	%	%	%	%	%								**10%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-noneligible activities		25,333 €	**89%**																
TOTAL		**28,357**	**100%**																

	Proportion of Opex / Total Opex	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	0%	0%
CCA		
WTR		
CE	n.a.	11%
PPC		
BIO		

Template 1 Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

With reference to the disclosure pursuant to Article 8(6) and (7) of Delegated Regulation (EU) 2021/2178, which provides for the use of the templates provided in Annex XII for the disclosure of nuclear and fossil gas activities, it should be noted that templates 2 to 5 have been admitted as they are not representative of the company's activities.

ESRS E1 - Climate change

[ESRS 2 GOV-3]: Integration of sustainability-related performance in incentive schemes

With reference to the integration of sustainability performance into incentive plans, please refer to the section "Integration of sustainability-related performance in incentive schemes" in section "ESRS 2 - General disclosures”.

[E1-1]: Transition plan for climate change mitigation

Given the urgency of the need to deal with climate change and its long-term implications, the Piovan Group in 2023 set ambitious objectives to significantly reduce our carbon emissions and our overall consumption of resources. The Group’s long-term objective is to be carbon neutral by 2050, thereby aligning with international standards and best practices.

The Group, which has recently implemented ESG goals, including reducing emissions, has set short-, medium- and long-term initiatives, such as a 40% decrease in CO_2 emissions (Scope 2) by 2030. With this in mind, a Paris Agreement-compliant transition plan is expected to be adopted by the end of 2026. This plan will be aimed at ensuring compatibility of both corporate strategy and business model with the transition to a sustainable economy and the goal of limiting global warming to 1.5°C, in line with international commitments.

[ESRS 2 SBM-3]: Material impacts, risks and opportunities and their interaction with strategy and business model

The double materiality analysis led to the identification of the following climate change-related impacts, risks and opportunities:

I/R/O	Type	Name	Description	Value chain	Time horizon
Impact	POSITIVE ACTUAL	Positive impact on the market through products that can use recycled plastic.	Commitment to the development of products aimed at ensuring that the raw material used by our customers is recovered from the environment and reprocessed, recycled in order to create new products, thus reducing the need for scarce materials on the planet.	Value Chain - Customers	Short Term
Impact	NEGATIVE ACTUAL	Negative impact on the environment resulting from energy consumption for its own production.	The Group, just by existing as such, has a negative impact on the environment due to the energy used. The Group, through the measurement of its consumption and energy mix, and through the sustainability objective of installing PV and/or purchasing energy from renewable sources, will mitigate this impact and achieve, in addition to an economic benefit for the savings achieved, better environmental and reputational performance.	Own Operations	Short Term
Impact	POSITIVE ACTUAL	Reducing the energy impact of products by offering customers increasingly energy efficient products, contributing to the mitigation of climate change.	By selling products that comply with legislative provisions aimed at reducing energy consumption, we want to give our customers an advantage in terms of reducing emissions.	Own Operations	Short Term
Impact	NEGATIVE ACTUAL	Climate impact for emissions emitted.	The Group, just by existing as such, has a negative impact on the environment due to the emissions it releases into the atmosphere. The Group, through the measurement of its emissions and through the sustainability objective of reducing its emissions, will mitigate this impact and achieve, in addition to an economic benefit for the savings achieved, better environmental and reputational performance.	Own Operations	Short Term
Risk		Regulatory risk of introducing a plastic tax	Risk of losing part of the sales market (packaging sector), caused by the introduction of a tax on plastic.	Value Chain Customers	Short, Medium and Long Term
Risk		Risk of technological failure for the recycled plastic supply chain.	Risk of loss of competitiveness on the market for the development of products that do not comply with the criteria of the circular economy due to the failure or inadequate implementation of the new green technologies given by the Union (55% of recycled plastic packaging waste by 2030)	Own Operations	Long Term
Risk		Physical climate risks.	Physical weather hazards such as floods, windstorms, heavy rainfall, cold waves, and tornadoes.	Own Operations	Short, Medium and Long Term
Risk		Risk of failure to develop energy efficient products.	Risk of loss of competitiveness resulting from placing on the market products that are not in line with the Eco-design Directive.	Own Operations	Medium and Long Term
Risk		Regulatory risk arising from greenhouse gas regulations (CBAM).	Regulatory risk from Greenhouse Gas Regulation (CBAM). The introduction of carbon border adjustment schemes, such as CBAM, could represent a potential risk related to the rising costs of key raw materials such as metals.	Own Operations	Short, Medium and Long Term
Risk		Risk of unavailability of low-cost raw materials.	Risk of unavailability of low-cost raw materials due to fluctuations in raw material prices with consequences on the continuity of the value chain.	Value Chain (upstream) – Suppliers	Short and Long Term
Opportunity		Increased market share related to circular economy.	Increased market share in the plastic recycling sector through business expansion due to investments in research and development for ad hoc technologies.	Own Operations	Long Term
Opportunity		Increased market share related to circular economy in emerging markets.	Business growth in countries (such as China and India) where the use of recycled plastic has not been regulated to date; business growth in industrial segments that could open up to recycled plastic.	Own Operations	Long Term
Opportunity		Improved reputation and competitiveness resulting from alignment with decarbonisation objectives.	Improvement of the corporate image and competitiveness on the market linked to the definition and implementation of a decarbonisation strategy, aligned with international objectives.	Own Operations	Long Term
Opportunity		Electric car industry market share increase.	Development of products for the automotive sector, especially for the electric car market. Plastic components are lighter and more versatile, suitable for electric cars to ensure greater autonomy.	Value Chain (downstream) - Customers	Long Term

Commitment to the circular economy

With reference to the identified transition risks, the Piovan Group is committed to implementing systems that can use plastics derived from recycling in a circular economy perspective, also with a view to a more significant positive impact.

Plastic has a positive influence in the overall decarbonization process thanks to the low environmental impact of plastic production. The relatively low melting point of this lightweight material means that transforming plastic - from a raw material into a finished product - has less of an impact on the environment compared to other materials, such as glass or aluminum.
For example, the energy required to make a glass bottle is up to 33 times that needed to make a plastic bottle.

Furthermore, plastic does not weigh much, meaning that its use in vehicles helps reduce their environmental impact. Plastic, in fact, compared to other materials, is 85% lighter[4], significantly reducing the consumption of the vehicles on which it is transported.
A car that is 100 kg lighter emits up to 1 kg less CO_2[5] for every 100 km driven, which is equal to the amount absorbed by one tree every 2.5 days[6].

The push toward decarbonization is thus aided by the use of plastics.
In fact, polymers are widely used in consolidated renewable energy generation systems – e.g., protective films for solar panels, PV inverter capacitor dielectrics, and electrical insulators in general – in addition to several new technologies, including flexible[7] solar panels and new, efficient, and lightweight wind turbines.

In addition, new technopolymers – which have innovative electrochemical properties, are lightweight, and boast mechanical and thermal resistance – play a key role in the development of sustainable mobility. E-mobility – and specifically the automotive sector's transition to electric vehicles – cannot be achieved without replacing heavy metal components with new, lightweight, cutting-edge technical polymers.

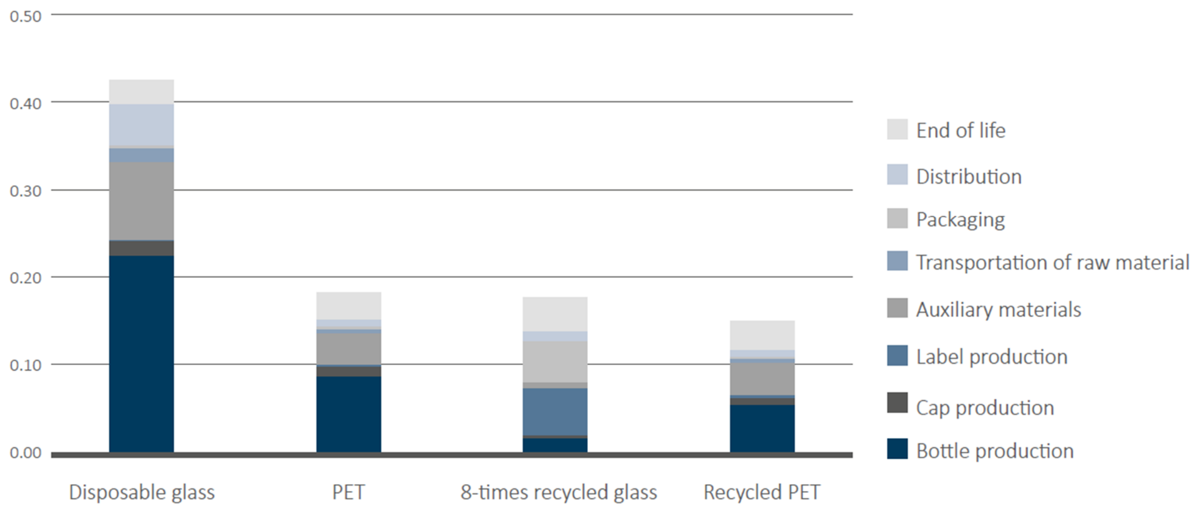
4 PlasticsEurope AISBL – "Plastica – un nuovo modo di pensare l'energia" ("Plastic - a new way of thinking about energy")

5 PlasticsEurope AISBL – "Automotive – The world moves with plastics"

6 https://www.un.org/esa/forests/news/2019/03/on-international-day-unece-fao-forestry-and-timber-section-releases-10-facts-to-fall-in-love-with-forests/index.html

7 https://www.sciencedirect.com/science/article/pii/S1369702107702766

COMPARISON BETWEEN 1 LITRE MILK BOTTLES, IN KG OF CO_2 EQ[5]



Source: Stefanini, R. et al. (2020), "Plastic or glass: a new environmental assessment with a marine litter indicator for the comparison of pasteurized milk bottles", The International Journal of Life Cycle Assessment, Vol. 26/4, pp. 767-784

Plastic also has a low impact on scarce resources as it can be made from processing waste material, be it virgin or recycled (unlike other types of packaging, such as paper, which may contribute to deforestation). Its use helps to preserve other scarce natural resources. It is estimated that the use of plastic packaging reduces food spoilage from 50% to 3%.
Many polluting substances used for domestic and industrial purposes are dispersed into the soil, sea and atmosphere. These polluting substances include plastic, which can take hundreds of years to break down once dispersed into the environment. Clearly, this is the critical issue that represents the challenge to be addressed.

In this regard, it should be emphasized that a lot of plastic polymers can potentially be recycled to create new products, thus minimizing environmental pollution. From this point of view, it's important to implement an awareness-raising policy with regard to the conscious use of plastics, so that waste materials may also be considered a resource. This is a key prerequisite for a circular economy.

In relation to the development of European legislation on the production and use of plastics, with particular reference to the new PPWR Regulation approved in 2024, a significant market shift is confirmed that will favor the use of recycled plastics at the expense of traditional plastics. The Regulations set ambitious targets for recycled material content in plastic packaging and new recycling targets, requiring all packaging to be recyclable by 2030.

In this context, the Piovan Group has identified an important positive impact through the development of products designed to process recycled plastic. The Group's commitment takes the form of developing technological solutions that enable customers to recover and reprocess materials from the environment, creating new manufactured goods and thus reducing the need for virgin raw materials.

This regulatory change represents a real opportunity for the Group. Piovan has always been attentive to the use of recycled material, can offer state-of-the-art machinery on the market that enables the level of recycled material used to be higher than regulatory requirements, thus supporting the transition to a fully circular economy. The Group proactively monitors regulatory developments and constantly invests in technological innovation, with a focus on the recycled plastic supply chain and its processing. This strategic approach enables the company to anticipate market needs and seize all opportunities that regulatory changes offer in a timely manner, confirming and strengthening its leadership position in the industry. The European target of 55% recycled plastic packaging waste by 2030 is both a technological challenge and a growth opportunity for the Group.
As such, the Group has a strategic advantage over its competitors, both in terms of technology and timeframe.

Piovan Group Strategy

The strategy remains in line with previous years as rewarded by the results achieved and customer feedback.
Piovan Group is already participating in the change process in the following ways:

CRITICALLY

ANALYSING THEIR PRACTICES

CONTINUALLY

INNOVATING ITS OFFER WITH THE UTMOST FOCUS ON TECHNOLOGIES FOR PROCESSING RECYCLED PLASTICS AND BIOPOLYMERS WITH MINIMUM TCO* FOR THE CUSTOMER

*(Total Cost of Ownership)

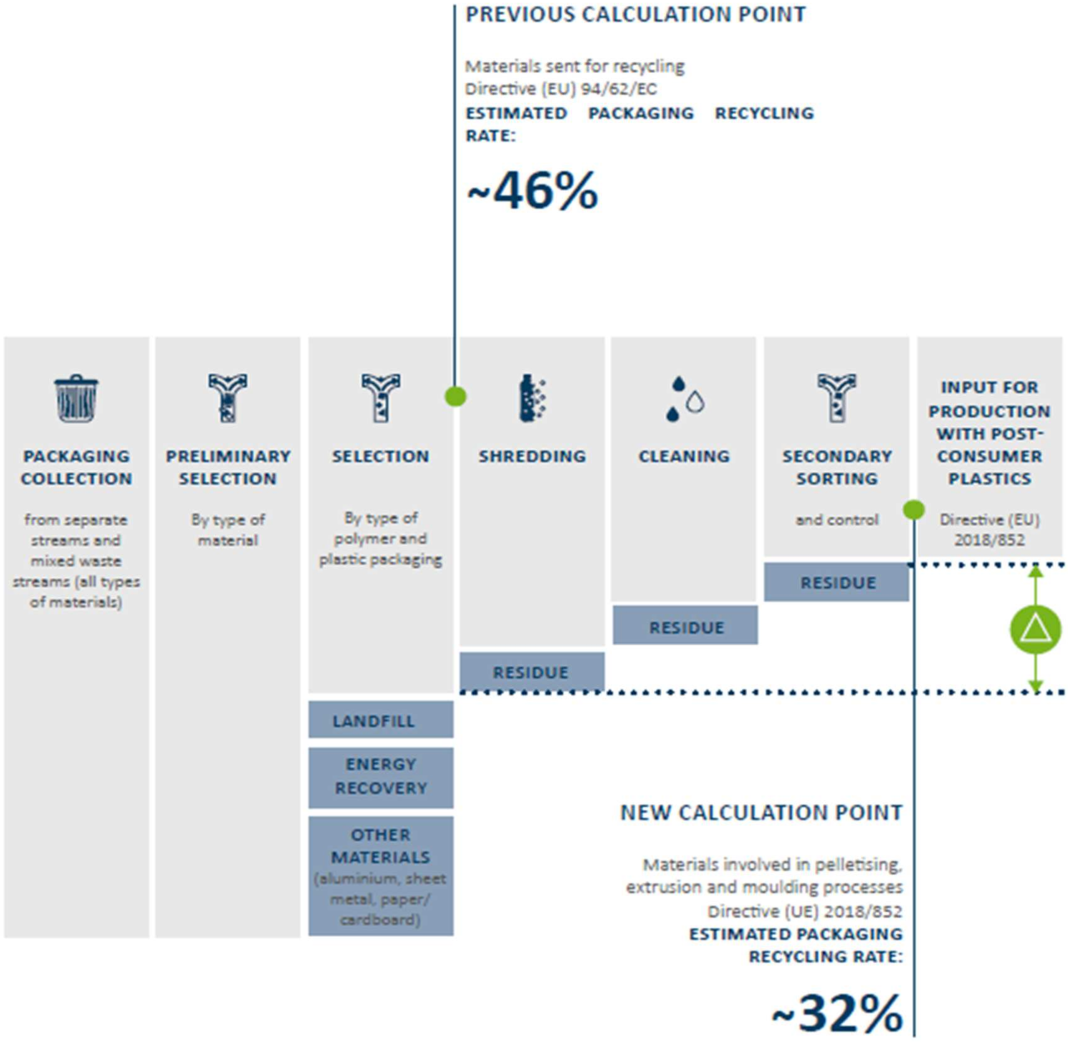
RAISING

AWARENESS AMONGST THEIR CUSTOMERS TO THE USE OF CIRCULAR ECONOMY AND ENERGY-SAVING SOLUTIONS

Example of Piovan Group system used to process recycled raw materials.

Since 2006, the Group has supplied equipment and systems for hundreds of plants dedicated to recycling plastics or using recycled plastics.
In 2024, the PPWR Regulation sets binding targets for recycling and reuse of packaging, introducing specific sustainability requirements and obligations for economic operators. In particular:

- All packaging must be recyclable by 2030
- Ambitious targets have been set for recycled material content
- Minimum reuse requirements were introduced for specific sectors
- A new method of calculating recycling rates has been adopted that will reduce the recycling values calculated by the current method, emphasizing the need for investment to meet future targets



The 46% recycling rate for plastic packaging calculated with the criteria of the Directive (EU) 94/62/EC would potentially be 32% with the new method (Directive (EU) 2018/852). This highlights the need for investment to reach the 55% recycling target for plastic packaging waste. (Source: "The Circular Economy For Plastics", 2022, Plastics Europe).

This regulatory framework further strengthens the strategic positioning of the Piovan Group, which is present both in the recycling sector and, more importantly, in all industrial sectors that use recycled plastics for the production of finished products. With its 15 years of experience and cutting-edge technological solutions, the Group is able to support customers in meeting new regulatory targets across the entire value chain, from the management of recycled material to its transformation into finished product. The proposed new Directive also includes measures to control the use of imported recycled plastics. If the aim was to maximize the local circular economy in Europe, this choice could be a driver for this business outside the old continent. This would be an opportunity that the Piovan Group would be able to seize given its global presence.

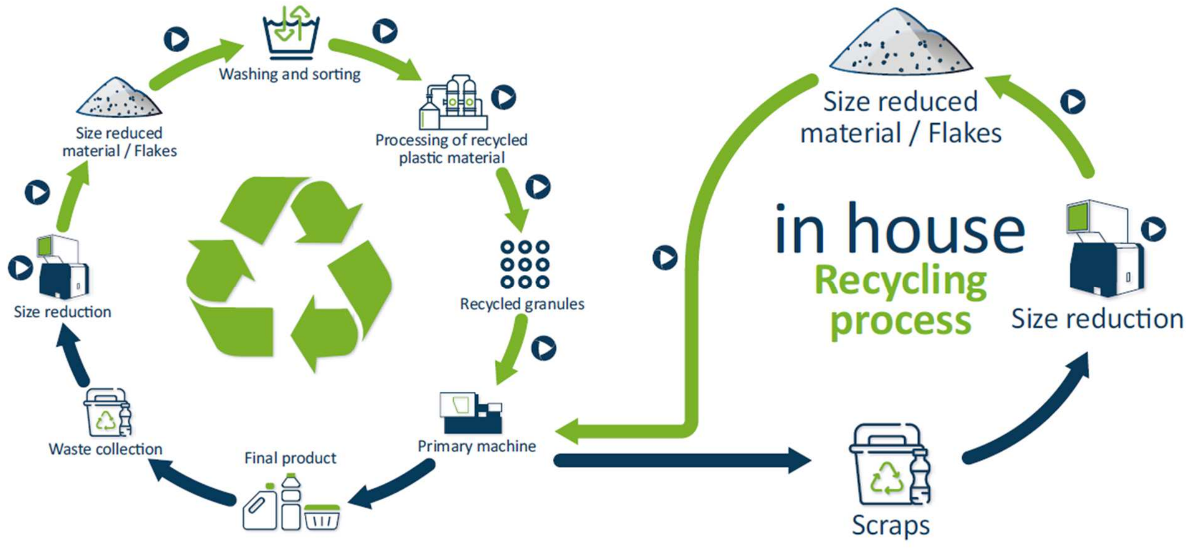
Further legislative changes aim to eliminate the use of single-use products in restaurants and non-essential packaging for food waste prevention, with minimal impacts on the Group. In addition, the inclusion of compostable materials in regulations opens new doors for innovation and differentiation in the market, favorably positioning the Group, which is already in a leadership position.

The encouragement of reuse, although limited in terms of current applications, implies the possibility of exploring new product types and components with targeted investment and the emergence of potential new markets.

The promotion of deposit systems for single-use plastic bottles aims to improve the quality of recycled material, further benefiting the Group, which stands for excellence in production with post-consumer plastics, over those who are primarily engaged in sorting.

In conclusion, Europe's commitment to sustainability and resource-conscious use represents a historic opportunity for the Group. The direction taken by the EU, with ambitious targets and specific measures, aligns perfectly with the Group's vision of promoting innovative and sustainable solutions, strengthening its position as a leader in the recycled plastics industry.

Moreover, in this transitional scenario, the Piovan Group sees significant opportunities for growth, both in established and emerging markets. Especially promising are the prospects for expansion in markets such as India, where the use of recycled plastics is already permitted even for food applications, and China, which is developing similar regulations. The Group is therefore well positioned to seize opportunities in these strategic markets, as well as in new industry segments that are increasing the use of recycled plastics in their production processes. The Piovan Group's ambition is to contribute to the shift toward a circular economy by supporting growth both in the recycling sector and in all sectors that transform recycled plastic into finished products. The Group is committed to raising awareness and helping its partners by providing state-of-the-art automation solutions that optimize the entire process, from the handling of recycled material to its transformation into high-quality finished products.



Stages and/or processes that can benefit from PiovanGroup solutions.

Developing solutions for a circular economy can be fairly technologically complex, due to the variability of raw materials compared to virgin materials. In fact, vast chemical-physical differences are often found in raw materials, including within individual batches. As such, systems need to be able to manage these differences while continuing to deliver products of a very high quality.

The Group's strategy is based on three pillars:

1. Development
   Developing products specifically for the recycled supply chain is a key element of our growth strategy in the circular economy market. Through continuous investment in research and development for dedicated technologies, the Group aims to increase its market share in the plastics recycling sector, maintaining a technological leadership position and anticipating the needs of a rapidly changing market.

2. Awareness
   Raising its customers' awareness of the issues of good plastics from recycling or plant-based raw materials is a key pillar of the Group's strategy. This commitment is realized through targeted training activities, technical workshops and expert advice to help customers understand the benefits and opportunities of using recycled materials. The Group acts as a technology partner to accompany customers in the transition to the circular economy, sharing best practices and specific know-how developed over its many years of experience in the recycling industry. This outreach is particularly relevant in emerging markets, where the recycling culture is still developing, and in industrial segments that are beginning to approach the use of recycled plastics.

3. Support
   Support, to guarantee quality and efficiency across all system life stages with
   - Design
   - Installation
   - Start-up
   - Preventive and corrective maintenance

Customer proximity of trained technicians is crucial in the success of the Piovan Group, especially for solutions related to the use of post-consumer plastics. In fact, proper plant maintenance maximizes their life and ensures a safe and quality finished product.
Remote support solutions and skills development complement the Group's strategy.
The establishment of the Academy in 2021 enables different types of training:

- hands-on with periodic sessions on a dedicated facility
- remote thanks to the state-of-the-art LMS platform
- ad hoc training

All this is done to ensure maximum expertise to 316 technicians throughout the Piovan Group and know-how in the use of the plant to the end customer and to help end customers as in the case of the module launched in 2023: "Recycled Plastic for High-Quality Packaging" whose goal is to provide the Group's customers with the technological expertise needed to obtain quality packaging from post-consumer polymers.
The widest possible distribution of 'circular economy friendly' products is key to sustainability. In a world in which global plastic recycling is still limited, the challenge is to create a supply chain capable of recovering, transforming and reusing a raw material with one the best ecological footprints, if employed properly.
As an example, to have a carbon footprint comparable to virgin PET, glass must be reused at least 8 times more if it is to be compared with rPET. Specifically, 2.9 million tons[8] are lost from post-consumer glass collection in Europe. If such bottles were made of PET or rPET, there would be CO_2 savings equivalent to a forest half the size of Belgium.
The social drive towards replacing plastic with other packaging materials for food and drink moves the problem away from environmental pollution and towards greenhouse gas emissions.
The most promising strategy involves improving plastic recycling rates by changing consumer habits and creating an efficient collection chain.

The Piovan Group has the ambition to actively contribute to this:

- Raising awareness among plastic producers and users about the increased use of recycled plastics and bioplastics.
- Providing the market with unique products designed for this purpose.

[8] Source: https://feve.org/eu-glass-value-chain-80-collection-rate/

Helping partners to research, commission, supervise, monitor and maintain cutting-edge systems.
In 2024, the Group estimates that approx. 20.7% of revenues in the segments that make significant use of recycled plastics (mainly packaging, fibers, recycling, and compounds) may be considered to be related to the circular economy.

[ESRS 2 IRO-1]: Identification of physical and transitional risks related to climate change

During the year, the Group strengthened its commitment to a medium- to long-term strategic vision, integrating risks and opportunities related to climate change to improve its resilience. In the second half of the year, an in-depth analysis was conducted, also with the support of external consultants. It should be specified, however, that due to the recent nature of the analysis, the latter was not taken into account in setting the greenhouse gas reduction targets, particularly Scope 2, approved by the Group last year.

Through double materiality analysis, Group-wide transition risks were examined and assessed. With regard to physical risks, a specific analysis was conducted for each of the Group's production facilities, as required by the Substantial Contribution to the Adaptation of the Climate Delegated Act - Annex II of EU Regulation 852/2020 on Taxonomy.

Transition risks related to climate change

The Piovan Group has identified both physical and transitional risks related to climate change. Transition risks arise from the transition to a low-carbon economy, a process that may involve significant regulatory, economic, technological and market changes in response to climate change mitigation and adaptation needs. The nature and speed of such changes can generate financial, operational and reputational impacts of varying intensity.

At the same time, in the transition to a “low-carbon economy”, the efforts of organizations to mitigate and adapt to climate change can generate significant opportunities. These opportunities include more efficient resource management, adoption of low-carbon energy sources, development of innovative products and new services, access to emerging markets and increased business resilience, which is essential in a global environment of rapid and constant change.

For each identified transitional risk, the resilience of the business model is inferred from:

- risk of availability of low-cost raw materials due to a possible fluctuation in prices (also due to the introduction of regulations such as the CBAM). To date, this risk has not had significant financial impacts on the Group, including in relation to macroeconomic events resulting from past geopolitical crises. Analysis of the value chain, with a focus on the supply chain, did not reveal any major changes in material prices attributable to this risk.
- Risk of shrinking market share in favor of other players with more energy-efficient solutions. To date, no concrete examples of turnover contraction that can be linked to this risk have been

identified. The Group continually invests in R&D in order to be able to offer more energy-efficient systems especially in the area of refrigeration.

- Risk of loss of competitiveness from placing products on the market that are not in line with the eco-design Directive. The steady investment in R&D has mitigated and continues to mitigate this risk.
- Regulatory risk for the introduction of a plastic tax, with a major impact on the downstream Packaging segment of Piovan's business. This risk is not expected to have a major financial impact on the Group, as the increased costs resulting from the introduction of the tax would be passed on to the final products.
- Risk of new product development not meeting circular economy criteria due to failure or inadequate transposition of new green technologies given by the EU (55% of plastic packaging waste recycled by 2030) This risk is mitigated through the Group strategy focused on offering systems that can use plastics derived from recycling in a circular economy. For further details, see the section "The circular economy commitment" in this chapter.

Physical risks related to climate change

Physical risks related to climate change can manifest either through extreme and sudden events (acute risks) or through gradual and prolonged changes in weather patterns (chronic risks). These risks can generate significant financial implications for organizations, including damage to corporate assets and disruptions to operations. The Group has identified the possible physical risks applicable to the organization and the related exposure through a risk and vulnerability climate change assessment. The analysis was structured in line with the requirements of the substantial adjustment criterion for the Piovan Group's eligible economic activities (3.6. and 5.1.), representing an evolution from the preliminary qualitative assessments conducted in previous years. Through the use of specific internationally recognized tools, and through the outline of climate change scenarios over 10- and 30-year time horizons, the process of identifying, assessing and managing the most relevant climate risks to the Group's production sites, and the related exposure, has been consolidated.

The physical risks identified are as follows:

PHYSICAL RISKS	
Temperature related	Heatwaves
Wind related	Windstorms
	Cyclones (hurricane, typhoon)
Water related	Water stress
	Drought
	Flooding (fluvial, pluvial, coastal)

The following scenarios were considered *RCPs (Representative Concentration Pathways)* that investigate scenarios with different concentrations of greenhouse gas (GHG) emissions and SSPs (Shared Socioeconomic Pathways) that expand RCPs by incorporating different future socioeconomic factors. The

resulting combination of SSP with RCP is a first full application of the scenario matrix from the perspective of emission mitigation.
The specific scenarios considered are given below:

- RCP 4.5 - Stabilization scenario, in which emissions are expected to peak in 2040 and decline thereafter
- RCP 8.5 - Most pessimistic scenario, corresponds to a business-as-usual situation. Assumes emissions will continue to increase, due to failure to take action to reduce greenhouse gases.
- SSP1: Sustainability - Taking the Green Road (Low challenges for mitigation and adaptation)
- SSP2: Middle of the Road (Medium challenges for mitigation and adaptation)
- SSP3: Regional Rivalry - A Rocky Road (High challenges for mitigation and adaptation)
- SSP4: Inequality - A Road Divided (Low challenges for mitigation, high challenges for adaptation)
- SSP5: Fossil-fueled Development - Taking the Highway (High challenges for mitigation and adaptation)

With a view to aligning with the assessment methodologies already used in *Enterprise Risk Management* led by the *Risk Office*, a summary assessment in line with this methodology was illustrated.

The analysis focused on production plants: commercial branches, in fact, while having warehouses for storing various materials for the installation of machinery (produced to order), were considered low risk due to the low specificity and easy availability of the materials themselves. Thus an aspect of particular importance was attributed to the redundancy property and their widespread presence because of the potentially positive effect on business continuity. In the event of problems in a warehouse, the company can in fact use its logistics support to transfer resources, raw materials and semi-finished goods from other locations, thus reducing potential damage to the production chain. On average, in fact, in each region, promotion to local suppliers is 91%, reflecting the local connection that the Group develops in its business. On the basis of these elements, it was therefore considered not necessary to conduct a specific climate risk analysis for these locations.

The main components of the value chain that enable continuity in the Group's business include:

- Transportation, such as inbound logistics services and outbound logistics services;
- Utilities;
- Connection and supply to the energy grid;
- Maintenance services;
- The procurement and availability of Semi-Finished and Raw Materials.

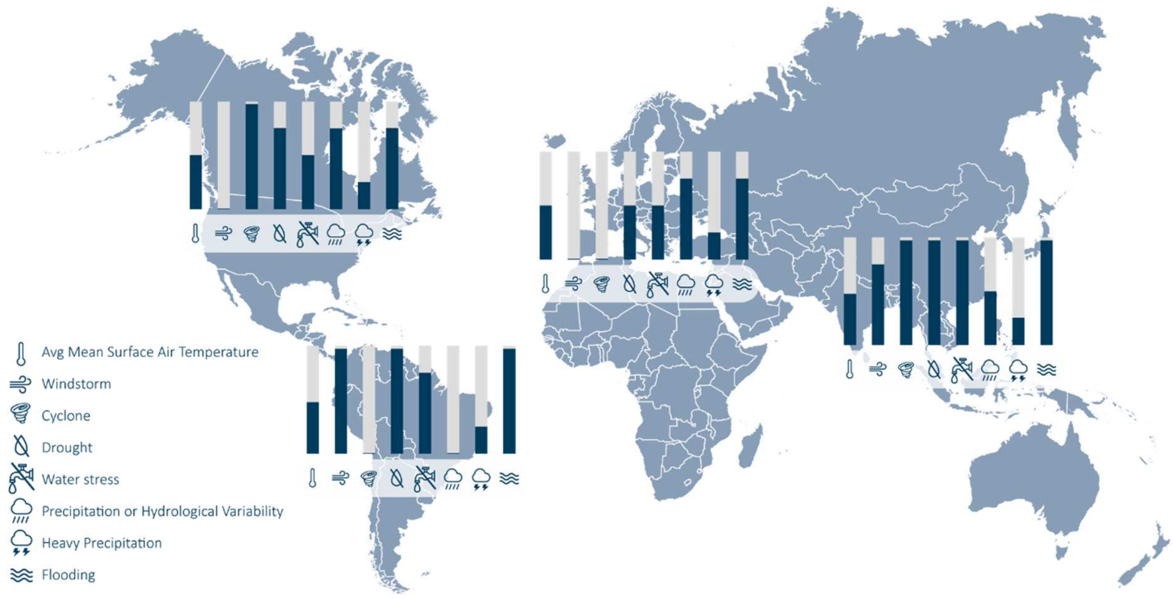
In defining the resilience analysis, both the regional concentration of sites and the Group's value chain were considered, so through a combined analysis of the Group's revenue generation and production concentration by region, subsidiaries with higher risk exposure were identified.

Chronic and acute hazards related to solid masses, hazards related to thawing permafrost, hazards related to ocean acidification, salinization and sea level rise, hazards related to flooding of frozen lakes or hazards related to forest fires were excluded because they were considered only remotely applicable, based on the geographical location of the establishments.

To assess the degree of risk for the areas in which Piovan's production facilities are located, the severity and frequency of each relevant risk is considered, based on available climate data that take into account:

- Severity of events: determined by the absolute value of a specific measure (e.g.mm of precipitation);
- Frequency of events: established by considering the time interval between events. This interval defines how often the event will occur.

The following is an aggregate summary of the main extreme weather events identified as relevant to the Piovan Group[9]:



No significant physical and transitional risks were excluded from the resilience analysis.

- [9] Main references analyzed - data provider: SCIA-ISPRA; **Climate Change Knowledge Portal - World Bank**; **Copernicus**; **Europe Environment Agency**; **Aqueduct (WRI)**; **Water Risk Filter (WWF)**; **Think Hazard**

[E1-2]: Policies related to climate change mitigation and adaptation

The Group has not currently adopted any policies related to climate change as it plans to define a set of managerial goals and principles entrusted to a specific manager and with a well-defined scope of application following the approval of the Paris Agreement-compliant transition plan, expected by the end of 2026. Within the Code of Ethics, however, Piovan takes into very strong consideration the Social Responsibility that derives from the impact that its business activities have on the community and the environment in which it operates, consequently orienting its business towards behavior that is as ecologically sustainable as possible. The Group is committed to investing in the research and development of technologies aimed at energy saving and recycling of plastic materials. It designs and produces machines with the most advanced high-efficiency systems available on the market and develops technologies that respect the ecosystem as much as possible. Programs for reducing energy consumption and waste management are adopted at each plant. Company personnel are constantly instructed in the careful and responsible use and management of paper, water and electricity in order to minimise the waste of environmental resources for the performance of company activities. For further details on the Code of Ethics, please refer to section ESRS G1 Business Conduct.

[E1-3]: Actions and resources in relation to climate change policies

During 2024, the Group implemented several decarbonization levers to reduce greenhouse gas (GHG) emissions. These include the installation of photovoltaic systems at a production site and the completion of a system at the headquarters. In addition, the PGNA Group has purchased RECs (Renewable Energy Certificates), to cover energy needs with renewable sources.
To implement the actions taken, the Group has incurred significant monetary amounts of CapEx, in line with the requirements of EU Regulation 852/2020 on Taxonomy, details of which are therefore provided in the previous section.

[E1-4]: Targets related to climate change mitigation and adaptation

The GHG emission reduction targets that the Piovan Group has set are not compatible with limiting global warming to 1.5°C, but they represent a starting point toward scientifically recognized targets that the Group intends to set. The basic assumptions were made on the expected future investments, also considering any investments related to the new production locations. Monitoring of these goals is ensured through regular meetings held throughout the year. The scope of actions and goals defined by the Group is aligned with that of the inventory carried out in 2022, the base year in which these goals were define

GOAL	ACTIVITY	SCOPE	TARGET	DUE DATE	GEOGRAPHICAL AREA	IMPACTED STAKEHOLDERS	2024 MONITORING
Increase green energy procurement	Assess new green energy procurement contracts (purchase of electrical energy from renewable sources certified via Guarantees of Origin) or installation of photovoltaic systems	Piovan S.p.A. e Aquatech S.r.l.	Photovoltaic systems ----> 20% C02 emissions reduction compared with base year 2022 (Scope 2)	2024	Italy	Local communities and collectivity	On a like-for-like conversion coefficients basis - 22%. 194% increase in self-consumed electricity. -22% kwh of EE purchased and consumed.
		Fea ptp S.r.l.		2026	Italy		System installed in 2024
		Rest of the Group	Supply from green sources: 1) at least 50% of electricity from renewable sources; 2) Reduction of CO2 emissions by 40% (Scope 2)	2030	All the geographical areas where the Group operates		Purchase of REC's by Piovan North America valid from 14/06/2024 to 14/06/2026.
		Piovan Industrial Automation Co.Ltd	Photovoltaic System installation	2025	China		Inauguration of new production site in January 2025, photovoltaic system to be purchased later in the year.
		Doteco S.p.A. - Ipeg Inc. - Thermal care Inc. - Pelletron Corp. - Universal Dynamics Inc. - Piovan Do Brasil Industria e Comercio Ltda.	Installation of Photovoltaic System on the Rest of the Group	2028	Italy, US, Brazil		
Monitor the Group's consumption to reduce emissions	Assessment of energy efficiency initiatives (e.g. relamping activities).	Production companies except Piovan S.p.a and Aquatech S.r.l.	Assessment and where possible relamping activities with a 3% saving	2028	Italy, Germany, US, Brazil, India, China	Local communities and collectivity	
Measure and reduce the organisation's indirect emissions (Scope 3) to mitigate climate change and improve the Group's Carbon Footprint disclosure	Progressively develop reporting of emissions generated by consumption external to the Organisation (Scope 3) in the 15 categories of the GHG Protocol.	Group	Progressively develop reporting of emissions generated by consumption external to the Organisation (Scope 3) in the 15 categories of the GHG Protocol.	END OF 2025	All the geographical areas where the Group operates	All the stakeholders, local communities and collectivity	Achieved in 2024
	Calculation of scope 3 for Business Travel and Employee Commuting categories.	Group	Calculation of scope 3 for Business Travel and Employee Commuting categories.	2025	All the geographical areas where the Group operates	All the stakeholders, local communities and collectivity	Achieved in 2024. Scope 3 emissions have been calculated for FY 2023, on all the applicable categories defined by GHG Protocol
Adapt the business to climate change	Assess the climate risks that may have an impact on the Group's business continuity.	Group	Scenario analysis to identify and measure climate risks that impact business continuity. Describe the resilience of the business strategy and build a climate transition plan in line with the 1.5 degree temperature increase.	2028	All the geographical areas where the Group operates	All the stakeholders, local communities and collectivity	Climate change risk assessment carried out during 2024. A Paris Agreement-compliant transition plan is expected to be adopted by the end of 2026.

[E1-5]: Energy consumption and mix

The following is the information required by ESRS E1 with reference to energy consumption and its energy mix.

Energy consumption and mix		2024	2024 (like-for-like basis)	2023	2024 vs 2023 on a like-for-like basis	2024 vs 2023 %
1) Fuel consumption from coal and coal products (MWh)	MWh					
2) Fuel consumption from crude oil and petroleum products (MWh)	MWh	2,115	2,100	2,275	(175)	(7.7)%
3) Fuel consumption from natural gas (MWh)	MWh	6,156	6,156	5,481	675	12.3%
4) Fuel consumption from other fossil sources (MWh)	MWh	2,948	2,944	4,126	(1,183)	(28.7)%
5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	MWh	7,130	6,433	6,730	(298)	(4.4)%
6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	**MWh**	**18,349**	**17,633**	**18,613**	**(980)**	**(5.3)%**
Share of fossil sources in total energy consumption (%)	**%**	**89.4%**	**89.1%**	**93.3%**		
7) Consumption from nuclear sources (MWh)	MWh	-	-	-		
Share fo consumption from nuclear sources in total energy consumption (%)	**%**	**0.0%**	**0.0%**	**0.0%**		
8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	MWh	-	-	-	-	
9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	MWh	1,174	1,174	959	215	22.4%
10) Consumption of self-generated non-fuel renewable energy (MWh)	MWh	992	992	385	607	157.6%
11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	**MWh**	**2,166**	**2,166**	**1,345**	**822**	**61.1%**
Share of renewable sources in total energy consumption (%)	**%**	**10.5%**	**10.9%**	**6.7%**		
►Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	**MWh**	**20,515**	**19,799**	**19,957**	**(158)**	**(0.8)%**

Compared to 2023, on a like-for-like basis (thus excluding NuVu's contribution), the Group has decreased its total energy consumption from fossil sources by 5.3%. This decrease is the result of a sharp reduction in fuel consumption from crude oil and petroleum products (down 7.7%) and fuel consumption from other non-renewable sources, down 28.7%. Natural gas is not used in the production process, but is used for heating purposes, so consumption is linked to weather patterns. There is also a clear increase in self-generated electricity, up 157.6% following the first year of full operation of the photovoltaic panel system at the Santa Maria di Sala (VE) site and the installation at the Scarnafigi site. In total, energy consumption from renewable sources increased by 61.1%.

To calculate consumption in MWh, data were requested from all branches. For electricity consumption the data reported are from utility bills, and for diesel and gasoline consumption the data, where possible, were taken from accurate measurements from car consumption sheets (fuel cards). Where these were not available, a calculation was made on the basis of fuel cost. A differentiation between 'instrumental use' and 'mixed use' was also made for diesel and petrol consumption, with 100% and 70% of consumption being relatively calculated.

The energy intensity associated with activities in high climate-impact sectors is 0.004%. Revenues from core operations were considered in the denominator (see the section "Economic performance of the Group").

[E1-6]: Gross Scopes 1, 2, 3 and total GHG emissions

The Piovan Group's production activity essentially consists of assembly, and as such is not as energy intensive as manufacturing.

The table below shows Scope 1, Scope 2 (location-based and market-based) and Scope 3 emissions trends in tons of CO_2. The methodology for calculating Scope 3 emissions is outlined in the following section.

		2024	2024 (like-for-like basis)	2023	2024 vs 2023 on a like-for-like basis	2024 vs 2023 %
Scope 1	Natural gas consumption for heating and production	1,248	1,248	1,173	75	6.4%
	Diesel fuel consumption	896	896	1,035	(139)	(13.5)%
	Fuel consumption petrol	620	615	539	76	14.2%
	Fuel consumption from renewable sources, including biomass	-	-	-	-	-
	Fuel consumption from renewable sources, including biodiesel	-	-	-	-	-
Total Scope 1		**2,764**	**2,759**	**2,747**	**12**	**0.4%**
Scope 2	Location-based	3,006	2,529	3,773	(1,245)	(33.0)%
	Market-based	2,728	2,251	4,147	(1,895)	(45.7)%
Total	**Scope 1 + Scope 2 (location-based)**	**5,769**	**5,288**	**6,520**	**(1,232)**	**(18.9)%**
	Scope 1 + Scope 2 (market-based)	**5,492**	**5,010**	**6,893**	**(1,883)**	**(27.3)%**
Scope 3	1 - Purchased goods and services	86,954	83,792	81,522	2,270	2.8%
	2 - Capital Goods	-	-	-	-	
	3 - Fuel and energy related activities	-	-	-	-	
	4 - Upstream trasportation and distribution	18,808	18,552	19,194	(642)	(3.3)%
	5 - Waste generated in operations	-	-	-	-	
	6 - Business travel	-	-	-	-	
	7 - Employee commuting	-	-	-	-	
	8 - Upstream leased asset	N/A				
	9 - Downstream trasportation and distribution	78	77	394	(317)	(80.4)%
	10 - Processing of sold products	N/A				
	11 - Use of sold products	6,039,214	5,569,274	6,103,506	(534,232)	(8.8)%
	12 - End of life treatment of sold products	-	-		-	
	13 - Downstream leased asset					
	14 - Franchising	N/A				
	15 - Investments	214	496	506	(10)	(2.0)%
Total Scope 3		**6,145,268**	**5,672,191**	**6,205,122**	**(532,931)**	**(8.6)%**
Total	**Scope 1 + Scope 2 (location-based) + Scope 3**	**6,153,801**	**5,680,237**	**6,214,388**	**(534,151)**	**(8.6)%**
	Scope 1 + Scope 2 (marked-based) + Scope 3	**6,153,524**	**5,679,960**	**6,214,762**	**(534,802)**	**(8.6)%**

(*) on a like for like basis means excluding the contribution of NuVu.

On a like-for-like basis, Scope 1 emissions in 2024 remained at a similar level compared to 2023. However, increased use of methane gas due to colder winter temperatures has led to an increase in related emissions. On the other hand, there was a reduction in emissions from diesel fuel consumption due to the gradual transition of the company vehicle fleet from diesel engines to hybrids.

The reduction in Scope 2 emissions reflects an increase in self-generated and self-consumed electricity from photovoltaic systems at some Italian plants, resulting in a decrease in the Group's need for purchased electricity. In addition, the decrease in Scope 2 emissions calculated by the market-based method is attributable to the purchase of Renewable Energy Certificates (REC's) by Piovan North America. REC's are certificates that attest to the production of a certain amount of energy from renewable sources and allow companies to offset their CO_2 emissions related to electricity consumption.

In terms of indirect Scope 3 emissions, Category 11 dominates, accounting for 98% of total Scope 3 emissions.

On a like-for-like basis, Scope 3 emissions in 2024 decreased by 8.6%, mainly due to emission reductions in category 11, relating to the use of sold products. Less energy-efficient machinery was sold in 2024 than in 2023, leading to a consequent reduction in emissions related to its use. By contrast, the increase in Category 1 emissions is due to improved data collection that allowed for a more accurate figure.
Finally, the decrease in emissions in Category 9 can be ascribed to the reduction in end-user shipments in 2024. This change indicates a decreased incidence of transportation and distribution activities handled directly by customers, resulting in a reduction in related emissions.

The emission factors used to calculate Scope 1 emissions refer to the latest version available from DEFRA (the UK Department for Environment Food & Rural Affairs).
The emission factors used to calculate Scope 2 Location-Based emissions refer to the latest version available from TERNA (UK Government - GHG Conversion Factors for Company Reporting).
The emission factors used to calculate Scope 2 Location-Based emissions for Italy to ISPRA (*Istituto Superiore per la Protezione e la Ricerca Ambientale*).
The emission factors used to calculate Scope 2 Market-Based emissions refer to AIB (European Residual Mixes 2022), for companies falling within the European scope, and TERNA (UK Government GHG Conversion Factors for Company Reporting) in the latest version available, for companies falling outside the European scope.

Emission intensity	2024
Totale GHG emissions (location based) / net revenues (tCO2eq/mln €)	10,953.21
Totale GHG emissions (market based) / net revenues (tCO2eq/mln €)	10,952.71

Emissions intensity is calculated by considering net revenues from core operations (see the section "Economic performance of the Group").

Methodology for calculating Scope 3 emissions

As for the analysis and accounting of the Piovan Group's GHG emissions, 2023 was chosen as the base year. A hybrid approach validated by external consultants consisting of the use of emission factors linked to activity data or expenditure data was used to calculate Scope 3 GHG emissions. Consistent with the type of activity data available, conversion factors were used to make the result homogeneous. Accounting and reporting of GHG emissions was performed in accordance with the methodology found in "GHG Protocol - A Corporate Accounting and Reporting Standard" (published by WRI/WBCSD). The most relevant data sources were used, such as DEFRA, IEA and Ecoinvent (LCA database), which mainly cover activity data and related GHG emissions classified in Scope 3. The IEA database was used for quantification of emissions based on expenditure data.

The scope considered for the calculation includes the entire Piovan Group, and the categories analyzed are shown in the table below. Those that were then considered for the purpose of calculating total Scope 3 emissions are indicated in bold.

Scope 3 - Analysis of applicability and materiality	
Category 1 - Purchased goods and services	**Applicable category, medium relevance**
Category 2 – Capital goods	Applicable category, not material
Category 3 - Fuel and energy related activities	Applicable category, not material
Category 4 - Upstream trasportation and distribution	**Applicable category, low relevance**
Category 5 - Waste generated in operations	Applicable category, not material
Category 6 - Business travel	Applicable category, not material
Category 7 – Employee commuting	Applicable category, not material
Category 8 – Upstream leased assets	Not applicable
Category 9 – Downstream trasportation and distribution	**Applicable category, low relevance**
Category 10 - Processing of sold products	Not applicable
Category 11 - Use of sold products	**Applicable category, high relevance**
Category 12 - End of life treatment of sold products	Applicable category, not material
Category 13 - Downstream leased asset	Applicable category, not material
Category 14 - Franchising	Not applicable
Category 15 - Investments	**Applicable category, low relevance**

For non-applicable categories, it is specifically noted that:

- The calculation of Category 8 emissions is not applicable because all leased assets, including any sheds, offices, production sites and machinery, are already considered in Piovan Group's Scope 1 and Scope 2 emissions;
- The calculation of Category 10 emissions is not applicable since there is no further processing of the machinery sold by the Piovan Group. These are eventually installed within other systems, and this installation step does not require additional energy;
- The calculation of category 14 emissions is not applicable as the company does not operate through franchises.

For non-material categories, it is specifically noted that:

- Category 2 emissions for 2024 were not calculated, as they accounted for only 0.07% of total Scope 3 emissions in the previous year;
- Category 3 emissions for 2024 were not calculated, as they accounted for only 0.03% of total Scope 3 emissions in the previous year;
- Category 5 emissions for 2024 were not calculated, as they accounted for only 0.00% of total Scope 3 emissions in the previous year;
- Category 6 emissions for 2024 were not calculated, as they accounted for only 0.07% of total Scope 3 emissions in the previous year;
- Category 7 emissions for 2024 were not calculated, as they accounted for only 0.03% of total Scope 3 emissions in the previous year;
- Category 12 emissions for 2024 were not calculated, as they accounted for only 0.00% of total Scope 3 emissions in the previous year;
- Category 13 emissions for 2024 were not calculated, as they accounted for only 0.03% of total Scope 3 emissions in the previous year;

For the relevant categories included in the calculation, the main assumptions used to determine the amount are listed below.

Category 1: Purchased goods and services

A hybrid methodology was used to calculate emissions related to Purchased Goods and Services.

Emissions related to the purchase of services were calculated through a spend-based methodology, that is, from income statement data for all Group companies. Related income statement items have been associated with the relevant 2021 EPA emission factor, based on the nature of the expenditure.

The following calculation methodology and assumptions were adopted for the calculation regarding emissions related to the purchase of goods:

- It was assumed that all sales were produced in 2024;
- The sales of Piovan S.p.A. were considered, and the machines included in the sales were divided by recyclability characteristics, identifying categories of machines sold and assigning them different recyclability factors;
- Subsequently, an average weight and percentage composition was determined for each mapped machine category for the various materials of which the machine categories are composed;
- For the IPEG Group and Nuvu Conair Private Ltd, an estimate was made from turnover;
- For the rest of the Group's subsidiaries, the number of machines sold in 2024 was counted and an average material composition and recyclability factor was considered from the mapped machines of Piovan S.p.A.

Tons for machinery components sold in 2024 by the Piovan Group were multiplied by DEFRA 2024 emission factors.

Category 4: Upstream transportation and distribution

For the calculation of emissions related to inbound logistics, data on tons of goods purchased are not available at Group level, unlike for outbound logistics. However, information on incoming transportation costs, extracted from the Income Statement, is accessible.

Data that can be used to calculate incoming transport emissions are available for the same scope as defined in Category 1 - Purchased goods and services This scope includes all companies in the Consolidated Financial Statements.

For the calculation of emissions related to outbound logistics (to end-customers and intercompany) borne by Piovan, the scope covered by the shared data concerns Piovan S.p.A., Aquatech S.r.l. and Thermalcare Inc., so it was necessary to recalibrate the results of the analysis on all other Group companies.

From files on shipments, data on the means of transportation, kilometers traveled and destination city were obtained for the distribution of products shipped by the three companies. It was then possible to calculate CO_2 equivalent emissions by multiplying the tons transported and kilometers traveled by each mode of transportation by the relevant DEFRA 2024 emission factor, using distance-based methodology.

When the destination was outside Europe, but the means of transportation listed was "express courier," sea transport was considered. In addition, in cases where the same shipment involved the use of more than one means of transportation, the total distance between the point of departure and the point of arrival was divided equally among the various means.

With regard to all other branches in the Group, for which only the values of expenditure on shipments were available, the recalibration was calculated from the average of the emission intensities of Piovan S.p.A., Aquatech S.r.l. and Thermalcare Inc., and - specifically - the values of the relevant expenditure items were multiplied by the emission intensity, resulting in CO_2eq emissions.

For the calculation of emissions associated with upstream transport (transport of purchased goods), a spend-based methodology was adopted. From the data extracted from the respective income statements on the expenditure incurred by each branch on upstream transportation, it was possible to obtain CO_2eq emissions by multiplying the value of expenditure by the 2021 EPA emission factor, assuming that transportation was by road.

Category 9: Downstream transportation and distribution

Relative to this category, the Group used data on shipments made in the year 2024 by Piovan S.p.A., Aquatech S.r.l. and Thermalcare Inc. as available information.

Therefore, it was necessary to recalibrate the results of the analysis based on the value of transportation spend for the other Group companies.

From the files on the shipments of the three companies, values for tons transported, means of transportation, kilometers traveled and destination were derived for the distribution of products sold in vehicles and facilities not owned or controlled by the reporting company, at the customer's expense.

CO_2eq emissions were calculated by multiplying the tons and kilometers traveled, by mode of transportation by the relevant 2024 DEFRA emission factor, using a distance-based methodology.

In cases where the destination was outside Europe but the means of transportation was listed as "express courier", road transport or sea transport were considered equally.

From the values of transportation spending on sales of Piovan S.p.A., Aquatech S.r.l. and Thermalcare Inc., and from the amount of emissions in $kgCO_2$eq calculated, it was possible to calculate the average of emission intensities, which was necessary for recalibration for all the other Group subsidiaries for which only transportation spending values were available. The expenditure values were then multiplied by the emission intensity, obtaining the recalibration.

Category 11: Use of sold products

A direct-use phase methodology was used to calculate emissions related to the use of sold products.

Each category of machine sold was distinguished by energy consumption and classified into energy-intensive and non-energy-intensive. It was possible to make an assessment of emissions based on sales, taking into account the average specifications of each product and making estimates of energy consumption.

The following considerations were made in calculating emissions:

- For Piovan S.p.A. and the other subsidiaries (excluding the IPEG Group and Nuvu Conair Private Ltd), the number of individual machines sold was available; while for the IPEG Group and Nuvu Conair Private Ltd, the number of machines sold was estimated from turnover;
- Specific data on the electricity consumption of each machine family were available for Piovan S.p.A. and, considering the similarity between the machines produced by the entire Group, this figure was also attributed to the machines sold by the other subsidiaries;
- Based on the above data, it was then possible to calculate the emissions from the use of sold products by multiplying the quantity of machines sold by the maximum consumption, the kWh max, time of use and the emission factor related to the state in which the machine was sold (factors: 2023 IEA Electricity location-based). To make the calculation, an estimate was determined of:
    - Hours of daily use;
    - Days worked per year;
    - Years of machine life;
    - average kWh;
- the emission factors used, based on the target country were 2023 IEA Electricity location based, which allowed the emissions for each branch to be obtained.

Category 15: Investments

For the calculation of Category 15 emissions, an average methodology was applied using data on the operating results of the investees, combined with EEIO emission factors and subsequent allocation of emissions based on the investor's share. For FY 2024, investment-related emissions were calculated for holdings in:

- CMG;
- Penta Auto Feeding.

Category 15 emissions concern the shareholdings held by the Piovan Group as a whole. The emissions are allocated to Piovan S.p.A.

The emission factors used for the calculation of Category 15 are the 2021 EPA factors, appropriately adjusted for inflation.

ESRS E2 - Pollution

[ESRS 2 IRO-1]: Impacts, risks and opportunities

As a result of the double materiality analysis, a potential negative impact arises from the generation and use of microplastics along the downstream value chain. The possible accidental release of microplastics and other pollutants could lead to environmental, reputational and financial impacts.

I/R/O	Type	Name	Description	Value chain	Time horizon
Impact	NEGATIVE POTENTIAL	Climate impact of microplastic generation and use along the downstream value chain.	Possible negative climate impact due to generation and use of microplastics by the Group's customers	Value Chain - Customers	Short Term

Operating in different sectors, these impacts may only affect customers operating in plastics processing, while they do not affect Piovan Group customers operating in the food and medical sectors.
The Group does not generate impacts related to atmospheric emissions other than greenhouse gases (limited to CO2, reported ESRS E1). In addition, there are no direct impacts on soil or water, as the use of hazardous and extremely hazardous substances (SHCs and SVHCs) is almost insignificant in company operations.
Microplastics, defined as plastic particles less than 5 millimeters in size, are a growing environmental concern, as they tend to accumulate in aquatic and terrestrial ecosystems, with possible negative consequences for human and animal health.
Plastic polymers in customer-owned plastic granule conveying facilities have the potential to disperse as industrial waste. However, such dispersions occur within enclosed environments and not directly into soil or water.

[E2-1]: Policies related to pollution

Although the Group does not have a policy or specific targets on microplastics, the Environmental Policy promotes a responsible approach to corporate waste management by actively encouraging recycling and reuse of materials.

[E2-2]: Actions and resources related to pollution

Ongoing collaboration with research institutions and universities has led to the development of innovative solutions, such as the use of vacuum piping and filters to collect plastic dust, thus contributing to the reduction of microplastic emissions into the environment. To prevent waste and leakage, the Group has adopted automated solutions for feeding plastic polymers into plants through the use of bags that reduce the risk of human error. In addition, filters are installed in customers' plants to intercept polymers and prevent dispersion into the air.

[E2-3]: Targets related to pollution

At present, the Group has not yet set specific measurable targets to address the impact of microplastics, related to the value chain. However, the Group is aware of the importance of setting such targets to ensure significant progress in this area.

ESRS E5 - Resource use and circular economy

[ESRS 2 IRO-1]: Impacts, risks and opportunities

I/R/O	Type	Name	Description	Value chain	Time horizon
Impact	POSITIVE POTENTIAL	Positive impact resulting from the use of potentially recycled and recyclable materials.	Positive impact resulting from the use of potentially renewable and recyclable materials. Once the product has been disposed of, if recycled correctly, it is approximately 85% recyclable.	Own Operations	Short Term

The only resulting material impact for ESRS E5 concerns the recyclability of the product sold: in fact, once the Piovan product is discarded, it can be broken down into materials (mainly metals), which are potentially recyclable, contributing to a positive impact from a circular economy perspective.
In a context where the linear economy is giving way to a circular model—based on the cyclical management of products to reduce waste—the solutions developed by the Piovan Group address this need. On one hand, through our systems capable of processing recycled plastic, we support our customers in adopting circular economy models, promoting resource reuse and optimization (see the ESRS E1 Climate Change section, *Commitment to the Circular Economy*). At the same time, we are committed to ensuring the recyclability of our products by integrating circularity principles from the design phase.
To identify this impact, the recyclability analysis conducted in previous years on Piovan S.p.A.'s machines (subsequently updated in the year for the sustainability report) was used, along with interviews with various company functions involved in new product development and operations and waste monitoring. Therefore, consultations were conducted with internal stakeholders.
Given the nature of operations, the impacts, risks and opportunities arising from the waste generated by the Group were found to be non-material topics.
The waste produced by the Piovan Group is essentially scrap from the production process and office activities: this consists, on the one hand, of mixed packaging materials such as paper, cardboard and wood, and on the other hand residues from the assembly process, such as shavings of ferrous material, aluminum and steel.

[E5-1]: Policies related to resource use and circular economy

While the Piovan Group does not have formal circular economy policies and procedures, it buys quality products from known suppliers, ensuring excellent performance and complying with industry best practices.
During 2023, the Group adopted an environmental policy that includes:

- constant monitoring of resource consumption, striving to reduce waste;
- commitment to optimizing internal operations to reduce usage and waste of energy, water and natural resources, particularly as regards scarce resources;

- adopting a responsible approach to managing waste produced during business activities, actively promoting recycling and reuse of materials, thereby reducing the environmental impact of processes;
- contributing to the development of efficient technologies that minimize the use of natural resources.

In this context, the Piovan Group pays attention to the design phase - circular design - aimed at increasing the durability of products as well as achieving higher rates of repairability of products sold.
Once the product is decommissioned, it can be broken down into materials (mainly metals), which are more than 85% recyclable (see the section Resource Outflows). Since 2021, the Group has expanded its monitoring activities to include the technical analysis of the recyclability of the materials it uses to manufacture the products it brings to market.

To increase the lifecycle of products sold and installed at its customers the Group provides both preventive and predictive maintenance through sensors installed in the plant. This maintenance allows not only longer plant life but also greater energy efficiency, higher performance, avoiding dips and a consequent decrease in waste for the customer.
All new generations of machines incorporate functions that under certain conditions, whether environmental or production, allow for optimized consumption. The Group's approach also consists of providing customers with high-quality after-sales service that includes, among other things, a particularly wide range of replacement parts for products in production, in addition to a "retrofit service". This enables the creation of exchange kits for machines that are no longer in production but still used by customers, and further extends the useful life of its products. It is not unusual for these activities to be performed on machines and plants that have been in service for more than 20 years. Such retrofit kits are obviously also intended to improve the energy performance of obsolete machines.

The continued high costs of all metal raw materials helped improve the intrinsic end-of-life value of Piovan's products, further increasing the financial incentive for customers to dismantle and recycle Piovan equipment at the end of its useful life.

[E5-2]: Actions and resources related to resource use and circular economy

Our circular approach is embodied in the following actions:

- Selecting materials, studying product design, and emphasizing longevity, durability, reparability, modularity, disassembly and recyclability;
- Reducing the use of virgin raw materials in favor of second-hand, recycled and renewable resources, and replacing hazardous materials with non-hazardous equivalents;
- Creating programs to reclaim used products, thereby avoiding resources being discarded.

Machine manuals, previously supplied on a CD with the machines, can now be downloaded from a dedicated portal by filling in a form or by scanning a QR code on the machine's nameplate.

All Piovan Group solutions are designed to perform at the highest level but at the same time require regular maintenance. Components subject to wear and tear should be replaced with due periodicity so as to ensure the elimination of malfunctions or downtime, thereby ensuring operational efficiency and the highest levels of performance.
Another crucial aspect in circular design and actions to foster the circular economy is After-Sales Service. Service Piovan's maintenance contracts have unique features. The contract consists of a series of interventions, each of which is noted in a service book, the Plant Book.
Machine maintenance and performance that remains at the highest level are guaranteed intervention after intervention and documented in the Plant Book. The maintenance contract provides extended warranty to three, four or five years.

OPERATIONAL EFFICIENCY

PERSONALISED ASSISTANCE

WARRANTY EXTENSION

[E5-3]: Targets related to resource use and circular economy

At present, the Group has not yet set specific measurable targets to address the issues of resource use and the circular economy. However, the Group is aware of the importance of setting such targets to ensure significant progress in this area.

[E5-4]: Resource inflows

The products and materials mainly used by the Group in its activities are listed below.

Products mainly used by the Group in its own activity		
Iron/Steel	Electrical resistors	Oil
Copper/Bronze/Brass	Glass	Filter materials
Aluminium	Plastics	Insulating materials
Zinc	Activated carbons	Molecular Sieves
Copper electrical cables	Seals	Rock wool
Electrical components	Paints	Paper/Cardboard
Motors		Wood

In the list above, only paper/cardboard and wood (for packaging) are listed as biological materials, for which a precise percentage of materials from a sustainable supply chain cannot currently be quantified. For the calculation of resource inflows, as analytical incoming mapping was not available, the analysis was based on the quantities of machines sold, analyses of machinery components, carried out in past years (ex-post analysis) and turnover data of manufacturing companies.

Given the nature of the Group's activities, i.e., mainly assembly of semi-finished products, it was assumed that the quantities of materials in the machinery sold coincide with the quantities of materials that entered the production process during the reporting year. It is therefore assumed that there is no production waste and no inventory of raw materials, semi-finished or finished products.

The total combined weight in kilograms of materials used during 2024 is shown below.

Table E5-4: Resource inflows

	2024 (Kg)	%
Iron/Steel	6,879,365	58.3%
Copper/Bronze/Brass	166,306	1.4%
Aluminium	902,019	7.6%
Zinc	1,507	0.0%
Copper electrical cables	82,318	0.7%
Electrical components	256,076	2.2%
Motors	715,208	6.1%
Electrical resistors	68,129	0.6%
Glass	3,162	0.0%
Plastic	64,958	0.6%
Activated carbons	15,489	0.1%
Seals	72,377	0.6%
Paints	26,328	0.2%
Oil	4,709	0.0%
Filter materials	18,451	0.2%
Insulating materials	118,919	1.0%
Molecular Sieves	367,155	3.1%
Rock wool	39,018	0.3%
Paper/Cardboard	512,269	4.3%
Wood	1,491,477	12.6%
Total	**11,805,240**	**100.0%**

Since there is no accurate calculation of resource inflows, it is also not possible to estimate the components and secondary materials reused or recycled. However, we note that metals, materials that are mainly used in the production process (67% presence), are 100% recyclable if properly disposed of.

[E5-5]: Resource outflows

For the Piovan Group the sub-topic of waste is not material, and as such, only the information expected for product and material outflows is reported.

The Piovan Group designs and creates products with an average useful life of 10-15 years, which is in line with the average durability of products in the sector. These products are generally replaced by the introduction of higher performance products, rather than because of limits to their functionality.

For 2024, recyclability figures are confirmed to be in line with previous years. Based on an analysis of 79% of the products shipped by the parent company Piovan S.p.A. in 2024, 85% of them could be recycled in full (if disposed of correctly).

In particular, paper, cardboard and wood are used in the packaging of shipped products and are 100% recyclable. The recyclability analysis uses product recyclability sheets developed by the research and development department as analysis tools.

Regarding the repairability of the product sold, please see the previous section "Policies, Actions and Objectives" of this chapter and the chapter "EU Taxonomy, Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 ".

Social information

ESRS S1 - Information on own workforce

[ESRS SBM-2]: Interests and views of stakeholders

The Piovan Group considers human resources to be essential and indispensable for the achievement of its objectives. Human resource management and development is carried out with a view to fostering the skills, potential and commitment of every employee, using objective and documented evaluation criteria. In its human resource management, the Group bases its decisions and rules of conduct on the ethical principles and values of equality, cohesion, honesty, respect, and protection of the individual, and on the principles of the ILO Conventions on the issue.

The Piovan Group incentivises staff participation and involvement, including through social dialogue, to further include them and help them fully understand the Group's values and culture. Free association with unions and collective bargaining organizations operating locally is also guaranteed, ensuring constructive dialogue aimed at continuous improvement.

Continuous dialogue with trade unions and associations representing Piovan's employees around the world has ensured that no strikes or union-related disagreements have occurred.

[ESRS SBM-3]: Material impacts, risks and opportunities and their interaction with strategy and business model

The double materiality analysis conducted led to the identification of eight impacts related to own workforce and two risks. Material impacts and risks are integrated into corporate strategy and ESG objectives as described in more detail in the following sections. They relate to the entire own workforce, both directly hired employees and non-employee workers, such as interns or staff managed by temporary agencies. No specific categories of workers are identified that are or could be affected by particular negative effects, which in any case are not considered to be systemic in nature.

The Piovan Group has not identified operations at serious risk of forced labor, bonded labor or child labor, considering its own activities and those in the value chain in all geographic areas where the Group operates.

The material impacts and risks are reported below; in addition, as shown in the table below, no material opportunities related to own workforce were identified.

I/R/O	Type	Name	Description	Value chain	Time horizon
Impact	POSITIVE ACTUAL	Creating jobs with adequate conditions in accordance with the regulations in force in each State and ensure adequate wages, adequate working hours and safe employment.	Positive impact given by the creation of safe workplaces, with adequate conditions, consistent with the Code of Ethics and with the policies on working hours, protection of human rights and DE&I.	Own Operations	Short Term
Impact	POSITIVE ACTUAL	Ensure, in line with national regulations, respect for fundamental workers' and social rights such as freedom of association, social dialogue and apply collective bargaining where applicable.	Piovan Group encourages the participation and responsible involvement of its people, also through social dialogue, to improve their inclusion and to fully understand its values and culture. Free association with trade unions and collective bargaining organizations that operate locally is also guaranteed, ensuring a constructive dialogue aimed at continuous improvement.	Own Operations	Short Term
Impact	POSITIVE POTENTIAL	Training and dissemination of a culture for the removal of all forms of violence or harassment in the workplace.	The Group is committed to promoting the removal of all forms of discrimination and moral or psychological violence based on gender, age, sex, religion and sexual orientation, through the DE&I policy and the Human Rights policy, and through training through the Group. Academy	Own Operations	Short Term
Impact	POSITIVE POTENTIAL	Spread a correct culture of diversity, equal opportunities and inclusion.	The Group has adopted the policy for the protection of diversity, equity and inclusion in 2023 and will develop adequate working practices and conditions to ensure equal opportunities.	Own Operations	Short Term
Impact	POSITIVE ACTUAL	Employee training and development generate a positive impact on the employees themselves and on the Group through increased skills.	Training is considered a strategic resource, which creates a positive impact on employees by increasing their skills and their level of satisfaction. The training areas involve the entire production process and all the departments present.	Own Operations	Short Term
Impact	POSITIVE ACTUAL	Increased attention to health and safety issues and anticipation of related risks	By identifying hazards and assessing risks, the work environment has been made safer and, as a result, any risks to people's health and safety have been reduced. In 2023, the Group's health and safety policy was approved and ongoing training is being provided on the topic.	Own Operations	Short Term
Impact	POSITIVE ACTUAL	Greater well-being of people and individual motivation.	Definition and development of initiatives to promote the well-being of the Group's people, in order to allow and promote a conciliation between private and professional life, generating positive impacts on the entire corporate community.	Own Operations	Short Term
Impact	NEGATIVE POTENTIAL	Potential negative impact of failure to comply with the principles of gender equality and equal pay.	The Group, aware of the potential negative impact resulting from failure to comply with the principles of gender equality and equal pay, has adopted a policy (DE&I) to ensure respect for equal opportunities in every aspect of working life, including remuneration and professional classification, inspired by the principles of the ILO and its own Code of Ethics.	Own Operations	Short Term
Risk		Risk of lack of recruitment policies due to gender gap.	Risk of inadequate management of the gender equality issue with consequent losses in terms of workforce.	Own Operations	Short Term
Risk		Health and safety risk.	Risk of not promptly adapting measures aimed at increasing health and safety in the workplace with possible costs related to compensation and/or monetary compensation	Own Operations	Short Term

Working conditions, Equal opportunities and diversity management in the company, Work-life balance

The Group has adopted the Diversity, Equity and Inclusion Policy and has been delivering training on the topic for the past two years to actively promote equal opportunity. Specifically during 2024, the Group provided 390 hours of training on this topic, involving 765 people.
Piovan operates in over 20 countries with different social and cultural backgrounds and as such aims to approach the daily challenges that come with multicultural diversity by adopting a Code of Ethics and an Organization, Management and Control Model pursuant to Legislative Decree No. 231/2001 (231 Model). In 2024, training hours dedicated to these issues increased, with sessions devoted to "Group Values”, thus with specific reference to the Code of Ethics, as well as to the previously mentioned issues related to diversity and inclusion.

The protection of workers' rights – and associated risks – is managed through the application of collective (where in place) and/or individual agreements and compliance with local regulations in all countries where the Group is present.
The Group’s Italian staff are subject to collective bargaining in line with the Company’s policy of creating stable and long-term employment for its workers. Specifically, Piovan S.p.A. is regulated by the National Collective Bargaining Agreement of the Engineering Industry for Metalworking and Plant Installation.
Similarly, in countries where there is no collective bargaining, 100% of Group personnel are hired through similar forms. This approach guarantees each individual a maximum number of working hours and the right to freedom of association - where applicable - thus protecting workers' rights.

The risk of inadequate management of the gender equality issue resulting in workforce losses is mitigated by the internal policies in place, such as the Diversity, Equity and Inclusion Policy and the Human Rights Protection Policy approved and disseminated to all Group subsidiaries.
The Piovan Group has not identified operations at serious risk of forced labor, bonded labor or child labor, considering its own activities and those in the value chain in all geographic areas where the Group operates.

[S1-1]: Policies related to own workforce

The Piovan Group has adopted several Policies over the years to manage the impacts on its own workforce and to manage and reduce potential risks to which they are exposed. Specifically, these include:

- Code of Ethics (updated in 2024)
- Diversity Policy (2020);
- Human Rights Protection Policy (2023)
- Diversity, Equality and Inclusion Policy (DE&I) (2023);
- Working Hours Policy (2023)

Policies are guided by principles set forth in both the United Nations International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work in addition to that set forth in its Code of Ethics.

When establishing the above policies, the Piovan Group took into account the interests of key stakeholders, adopting an approach that ensures that the needs and expectations of all parties involved are met. This process is based on continuous discussion with stakeholders and compliance with major international standards and guidelines.

The addressees of the policies are the corporate bodies, the employees of all Group subsidiaries without exception, collaborators (including but not limited to consultants, agents, representatives, intermediaries, etc.) and anybody who cooperates or collaborates with Piovan Group companies in any of the geographic areas in which the Group operates.
The Policies were approved by the Board of Directors of Piovan S.p.A. in 2023 and by all Group companies in 2024, as was the last update of the Code of Ethics that occurred in the year. Through the publication of the Policies on the company website and the company intranet, communication and dissemination of the policies is ensured. Approval by the highest governing body of each subsidiary ensures their implementation by the Group as a whole.

Code of Ethics
Please see the chapter "Information on Governance".

Human Rights Policy
The Human Rights Policy expresses the Group's commitment to appropriate working conditions, occupational health and safety, professional development and growth, support for the rights of local communities, respect for the right to privacy, freedom of association, and prohibits forced labor, including child labor, harassment and non-discrimination (referring to the principles set forth in the Code of Ethics). During the year, employee involvement on these issues also took place through the hours of training provided via an e-learning course involving 291 employees.
Among the tools that enable the Group to remedy potential negative impacts toward human rights of its workforce, it is important to mention the Whistleblowing channel and related procedure, adopted during 2024 and implemented through an extensive training program. This channel allows any potential abuse to be reported anonymously, thus enabling intervention by the Group's designated bodies.

Working Hours Policy
Among other things, the policy promotes flexibility in working hours when possible and appropriate to facilitate employees' personal needs and compliance with national and local laws and contracts. The policy applies to all employees at the Group's operating sites.

Diversity Policy, Diversity, Equality and Inclusion Policy (DE&I)
The Piovan Group has a Diversity Policy for the Board of Directors and the Board of Statutory Auditors to promote diversity within the governing bodies. It has also introduced a Diversity, Equality and Inclusion Policy applicable to the Group's entire workforce in each country in which it operates. The goal of the

policy is to promote and ensure respect for equal opportunity, equality and ensure a decent working environment.

[S1-2]: Processes for engaging with own workers and workers' representatives about impacts

Involvement of employees and employee representatives is established in accordance with agreements with unions, where present, in the respective countries where the Group operates.
The Group-wide corporate intranet provides a centralized platform to access important documents, policies and procedures, internal communications and training resources.

In November 2023, the Global Employee Survey was launched for the first time, involving all employees in all Group countries. Building on the results of the survey in 2024, 22 focus groups were organized in different Group companies, which then resulted in improvement projects at both local and Group levels. The goal of this survey was to listen to the voice of employees and bring innovation and improvement to corporate life. This initiative is an integral part of efforts to continuously improve the corporate work environment, internal communication and the well-being of Group employees.

The Company has already planned to repeat the Global Employee Survey toward the end of 2025 to analyze the results and monitor the actual improvements resulting from the implemented initiatives.

In several Group countries, an evaluation was already being given to employees once a year, but in 2024 through the new human resource management system, SuccessFactors, a performance appraisal program (the "Global Performance Program") was initiated. This allows each employee to conduct a self-assessment and receive an evaluation from their supervisor. The purpose is to facilitate communication between the employee and the supervisor in charge and to evaluate behavior and performance. The Group's goal is to repeat this process annually and ensure that in 2025 employees in all countries are evaluated with the same performance indicators within SuccessFactors.
Operational responsibility for ensuring worker involvement rests with the Group Human Resources Manager and the various Human Resources Managers at subsidiaries where present and the various managers at each company.

[S1-3]: Processes to remediate negative impacts and channels for own workers to raise concerns

Employees are encouraged to report any behavior that is, even potentially, against the law or the provisions of the Code of Ethics. The employee can talk openly about it with their supervisor and/or branch manager or, alternatively, the Whistleblowing channel is available. To guarantee the effectiveness of the Whistleblowing channel, some tests were carried out to monitor its operation; as this is the first year of adoption, it was not necessary to make changes. Reports of violations can help to identify and promptly address, through appropriate countermeasures and prevention, critical issues and risks to which Piovan Group companies and stakeholders are potentially exposed. During 2024, the procedure for reporting violations was prepared and numerous training sessions were held involving the entire Italian workforce. The procedure was published on the institutional website and in a dedicated section of the company *intranet*.

[S1-4]: Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Development of human capital

Action taken to promote well-being and worker development are defined based on an ongoing feedback process, including analysis of feedback collected through the Global Employee Survey. This approach enables any actual or potential negative impacts to be promptly identified, along with appropriate measures to prevent and mitigate them. Notices are sent to employees regarding open positions to support professional development.

Work-life balance

In the area of corporate welfare, Piovan S.p.A. confirms its commitment to fostering work-life balance by adopting innovative personnel management policies.

The actions undertaken are numerous:

- starting with flexible working hours that allow autonomy in time management,
- granting of various types of part-time
- granting smart working (in 2023, a smart working contract was signed for an indefinite term),
- introduction of sustainable mobility initiatives (such as the installation of electric car charging stations and subsidies for the purchase of bicycles).

As for personal growth, events are organized periodically, such as workshops and opportunities to 'improve' physical and mental well-being.

The Group also places importance on its physical workplace. In order to make it as comfortable as possible, hot and cold water dispensers have been installed, as well as vending machines serving hot drinks, beverages and snacks, and dedicated refreshment areas.

In addition, in order to guarantee certain privileges to employees in accessing certain services in Piovan S.p.A., the 'Piovan Club' project has been created to offer a series of services to employees and their families in the provinces of Padua, Venice and Treviso. Five main areas of shared interest have been identified: Health, Finance, Insurance Services, Wellness and Sport, and Family. Piovan S.p.A. has selected and identified a number of service providers offering exclusive services in each area.

The Piovan Club remains dynamic, versatile and up-to-date, thanks also to employee suggestions. The HR office, by way of an employee dedicated to “people care”, is responsible for signing agreements and contacts local companies, shops, pharmacies, gyms, insurance companies and banks to make being part of Piovan S.p.A. a privilege for employees, who are consequently able to make excellent use of discounts in the region. The stipulated agreements are communicated by e-mail and archived internally. In-company personal package pick-up is also available, in the view that time is a fundamental personal resource for employees.

All the aforementioned benefits are provided to all employees, regardless of whether they are in full-time or part-time work or have a temporary or permanent contract.

The Company offers a number of financial incentives, including:

- holiday bonuses, which are paid to employees before the summer on an annual basis
- production bonuses, which are paid to employees based on the Company's end-of-year results on an annual basis. The basis for calculating bonuses is an integration of the second-level contract agreed with trade unions and workers' representatives issued during the first half of the financial year;
- corporate welfare, the option for all employees to choose whether their production bonuses or national collective agreement bonuses are paid in the form of remuneration or flexible benefits, such as goods and services, which consequently benefits the tax wedge in favor of employees. The portal is managed by an external provider and offers numerous services and goods for employee use (covering five main areas: reimbursement of school expenses, healthcare, complimentary pensions, sports, recreation and vouchers) with a particular interest in family needs;
- option to apply for a business loan: the Company has set up a Loan Fund for employees who need financing;
- marriage bonus, paid to employees getting married;
- Educational Assistance Policy in Piovan North America that provides reimbursement for studies at external institutions (such as universities).

[S1-5]: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Among the Group's Sustainability Targets is one that aims to reduce a potential negative impact, the failure to comply with the principles on gender equality and equal pay, by fostering the creation of an inclusive and equal opportunity business environment. The activities identified for the pursuit of this goal are:

- Increase the presence of minorities among workers, + 1 p.p., by 2028;
- Increase female representation in management roles + 5 p.p., by 2026;
- Increase female representation in the workforce, at least 22% organically, by 2030.

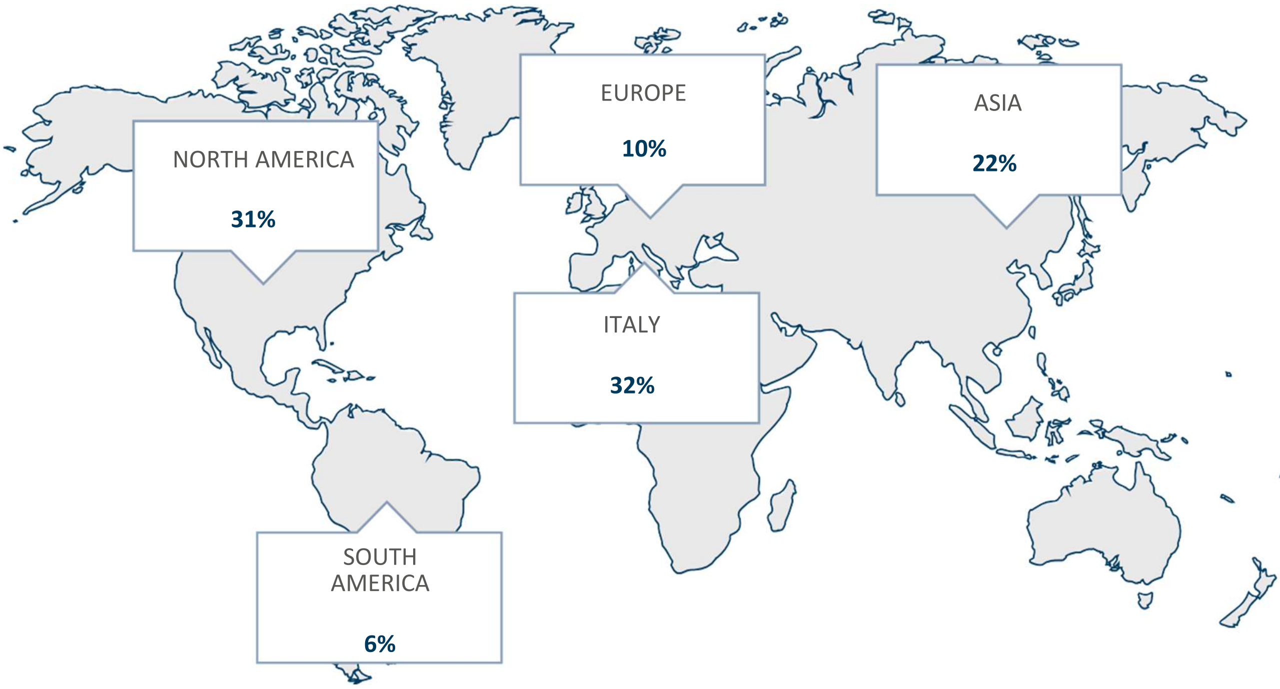
Targets were set in 2022 with a consultative analysis, and the starting point was the materiality analysis of the Non-Financial Report. They were later discussed with Group management and approved by the Board of Directors, with a favorable opinion from the Control, Risks and Sustainability Committee. For each target, the scope, the person responsible, and a baseline/target date were identified. During 2024, several target monitoring meetings were held with the relevant managers.

GOAL	ACTIVITY	TARGET	DUE DATE	GEOGRAPHICAL AREA	IMPACTED STAKEHOLDERS	2024 MONITORING
Promote the creation of an inclusive work environment with equal opportunities	Increase the presence of minorities among workers	+ 1 p.p. (from 7% to 8%)	2028	All the geographical areas where the Group operates	Employees	Achieved in 2024. There was an alignment in the definition of minorities for the whole Group.
	Increase female representation in managerial roles	+ 5 p.p. (+ 3 women in manager roles)	2026	All the geographical areas where the Group operates	Employees	+ 3 p.p. in 2024
	Increase female representation in the workforce	at least 22% organically (+ 5 p.p.)	2030	All the geographical areas where the Group operates	Employees	In 2024, on a like-for-like basis, female representation equal to 17%

[S1-6] Characteristics of the undertaking's employees

At December 31, 2024, the Piovan Group had 2,086 employees, an increase of 15.6% on December 31, 2024. The acquisition of NuVu, described in detail above, contributed substantially to the increase in personnel; on a like-for-like basis, the increase in personnel would be 1.3%. The Group also relies on non-employee workers, specifically contract workers, numbering 119 (115 men and 4 women) at the end of the year, employed in various functions, services, technical departments, production and administration. The significant increase over 2023 is again due to the acquisition of NuVu, which employs about 70 contract workers. At December 31, 2024, the percentage of employees with disabilities is 2.2%.

At December 31, 2024, 15.2% of the workforce were women, compared to 17.2% in 2023, an index impacted by the consolidation of NuVu. The number of female executives increased from 3 to 4, increasing the proportion of the total from 7.0% to 8.5%.
Below we report the percentage of employees employed by region.



As regards incidents of discrimination, it is reported that an employee of the Group's Canadian subsidiary accused a manager of discrimination. Following some internal verifications, it was decided to settle with the employee by paying compensation, amounting to about 20 thousand Canadian dollars. The manager was removed and is no longer with the Group.

The tables below summarize the main KPIs required by this ESRS. It is specified that the 2024 like-for-like figures do not include the contribution of NuVu.

ESRS Table S1-6: Number of employees by gender

Gender	2024	%	2024 at like-for-like	%	2023	%
Male	1,769	84.8%	1,515	82.9%	1,494	82.8%
Female	317	15.2%	313	17.1%	311	17.2%
Other / Unreported	-	-	-	-	-	-
Total employees	**2,086**	**100.0%**	**1,828**	**100.0%**	**1,805**	**100.0%**

ESRS Table S1-6: Number of employees in countries where the entity has at least 50 employees / Representing at least 10 % of the total number of employees

No. of employees	2024	2024 at like-for-like	2023
Italy	665	665	660
Rest of EMEA	199	199	188
- of which Germany	*83*	*83*	*79*
North America	650	650	647
- of which USA	*599*	*599*	*613*
South America	118	118	111
- of which Brazil	*118*	*118*	*111*
Asia	454	196	199
- of which China	*127*	*127*	*127*
- of which India	*266*	*10*	*11*
Total employees	**2,086**	**1,828**	**1,805**

ESRS Table S1-6: Number of employees by contract type and gender

	2024				2023			
No. of employees	Female	Male	Other/ Unreported	Total	Female	Male	Other/ Unreported	Total
Number of employees	**317**	**1,769**	**-**	**2,086**	**311**	**1,494**	**-**	**1,805**
Number of permanent employees	282	1,683	-	**1,965**	276	1,408	-	**1,684**
Number of temporary employees	35	86	-	**121**	35	86	-	**121**
Number of non-guaranteed hours employees	-	-	-	**-**	-	-	-	**-**
Number of full-time employees	286	1,749	-	**2,035**	279	1,481	-	**1,760**
Number of part-time employees	31	20	-	**51**	32	13	-	**45**

ESRS Table S1-6: Turnover rate

No. of employees	2024	2023
Total number of employees who have left the undertaking	**254**	259
Turnover rate	**12%**	14%

The turnover rate, calculated as the ratio between the number of Piovan Group employees who left the company and the total number of employees, is 12%, while the hiring rate is 13%.

[S1-7]: Characteristics of non-employee workers in the undertaking's own workforce

ESRS Table S1-7: Characteristics of non-employee workers

N. Employees	2024	2024 (like-for-like basis)	2023
Non-employee workers	145	75	69
of which agency workers	119	49	40

[S1-8]: Collective bargaining coverage and social dialogue

ESRS Table S1-8: Collective bargaining coverage

N. Employees / %	2024
Number of employees covered by collective bargaining agreements	894
Percentage of employees covered by collective bargaining agreements	42,9%

Table S1-8: Collective bargaining coverage and social dialogue

	Collective bargaining coverage		Social dialogue
Coverage rate	Employees - EEA	Employees - Non EEA	Workplace representation
0-19 %	Rest of EMEA	North America, Asia	Rest of EMEA, Asia, NA, SA
20-39 %	-	-	-
40-59 %	-	-	-
60-79 %	-	-	Italy
80-100 %	Italy	South America	-

[S1-9]: Diversity metrics

Table S1-9: Gender distribution at top management

	2024				2023			
N. Employees / %	Male	Female	Other / Not Reported	Total	Male	Female	Other / Not Reported	Total
Headcount	43	4	0	**47**	40	3	0	**43**
Percentage	91.5%	8.5%	0.0%	**100%**	93.0%	7.0%	0.0%	**100%**

Table S1-9: Employee distribution by age group

	2024		2023	
Age Group	Headcount	Percentage	Headcount	Percentage
< 30 years	277	13%	223	12%
From 30 to 50 years	1.134	54%	977	54%
> 50 years	675	32%	605	34%
Total	**2.086**	**100%**	1,805	100%

[S1-10]: Adequate wages

As a result of the wage analyses of all Group employees, it was concluded that all workers receive an appropriate wage in line with the applicable benchmarks for each country in which the Group operates.

[S1-15]: Work-life balance metrics

Table S1-15: Work-Life balance metrics

% Employees	2024			
	Male	Female	Other/Not Reported	Total
Percentage of employees entitled to take family-related leave	80.6%	81.1%	0.0%	**80.6%**
Percentage of entitled employees that took family-related leave	10.6%	7.6%	0.0%	**10.2%**

[S1-16]: Compensation metrics (pay gap and total compensation)

The metrics required by ESRS S1-16 were determined using applied point in time data of employees in force as of 31 December 2024 and their characteristics, and the reference standard and its application requirements were followed.

In particular, to determine the gender pay gap, gross hourly wages in local currency were taken for each employee in force as of 31 December 2024 and the average exchange rate of each currency for 2024 was used to convert it into euros. As at 31 December 2024, the gender pay gap was 13.5%.

With reference to the Ratio between the annual total remuneration of the highest paid employee and the median annual total remuneration of all employees, the annual total remuneration was used, as defined by ESRS S1, in local currency, then converted to euro using the average 2024 exchange rate for each currency. It should be noted that in 2024, as better described in “Note [14]” of the “Notes to the Consolidated Financial Statements”, in view of Investindustrial's acquisition of a majority stake in Piovan S.p.A., personnel costs were impacted by the acceleration of existing incentive plans. The Ratio between the annual total remuneration of the highest earner and the median annual total remuneration of all employees, taking into account the effect on personnel costs related to the acceleration of the incentive plans, was 76.6 to 1; whereas if there had been no acceleration of the incentive plans, this indicator would have been 35.0 to 1.

Training and skills development

The Piovan Group considers training a strategic resource, with ongoing investment not only for new hires, but also to support professional growth, motivation and service quality. Since October 1, 2021, the Group Academy has been responsible for organizing and monitoring training activities in line with the Group's global needs. Currently the Academy Team consists of four people: three Technical Trainers and an Academy Manager.

Together, these staff coordinate and plan training activities on:

- soft skills
- technical skills (hard skills)

All this by providing guidelines and directions for all activities in the short, medium and long term.

[S1-2]: Processes for engaging with own workers and workers' representatives about impacts – Training and skills development

Training covers the entire production process and all company departments. A training budget is allocated annually and is drawn up by department managers and approved by the senior management team. Training includes technical skills, language skills, and soft skills, on which training sessions were provided in the year 2024.

On the inception of the Academy, with a view to having a state-of-the-art training process, it was decided to adopt the LITMOS web-based Learning Management System ("LMS") platform. In this way, classroom sessions can be paired with e-learning modules created and designed to make the former more efficient.

Setting up the Group Academy has made it possible to bring together technical/specialist training and soft skills training under one roof, to optimize time, costs and the methods used to analyze training needs, as well as the dissemination of a globally shared corporate culture. The next step in the project is the total integration of corporate training programs into a single environment.

The Group places great importance on ongoing training, especially in the Service department: to ensure quality and efficiency for customers, refresher courses are constantly provided to installation and maintenance technicians on new machinery launched on the market or technological improvements of existing products.

[S1-4]: Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions – Training and skills development

In addition, as soon as the Group Academy was set up it immediately focused on developing a training path for each new employee to follow from day one at the Company.
The LMS (Learning Management System) platform, among other advantages, enables:

- the possibility of creating an On-Boarding pathway, both technical and cross-functional, for new hires;
- the delivery of training both online and offline;
- the creation of customized training paths based on different business roles;
- the creation of preparatory content for courses taught in the classroom;
- the extension of the proposed content globally, including in local languages.

Thanks to the flexibility and accessibility of the Piovan Academy platform, it will be possible to disseminate culture and shared values at Group level, including Diversity and Inclusion and the pillars of the company's Code of Ethics. On the latter, as well as for the course on the Organization, Management and Control Model under Legislative Decree No. 231/2001, the Piovan Academy platform was used to verify the skills acquired during the session held in the classroom. In 2024, an extension of the number of users who can monthly access the LMS platform to take advantage of the proposed content was also carried out. The goal for 2025 includes integration between the LMS and the SAP SuccessFactors HR platform.

The SuccessFactors human capital management (HCM) system has already been implemented in 2024. This is an integrated suite of technologies to manage Group employees from the hiring phase and throughout the entire corporate journey. In monitoring the entire talent lifecycle, the system manages goals and performance, rewarding performance achieved, providing continuous learning, developing careers, performing talent reviews, and planning suitable successors, all with the engagement of employees. The Performance Evaluation process also identifies training needs, which will then be met during the year with training paths tailored to specific skills gaps. In 2024 the Employee Center and Performance Program modules were implemented and in 2025 the implementation program for these modules will continue. At some branches, employees are expected to attend at least 24 hours of training per year.

Training activities included an all-staff course on the 231 Law and Whistleblowing, how to read payslips (to make employees more aware and informed), and the annual course on plastics and its various applications. Finally, the first Global HR Meeting was held at Group headquarters. The purpose of this meeting is to share HR strategy and plans for the coming year, and it was attended by all Group HR staff.

[S1-5]: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities – Training and skills development

In 2024, the Piovan Group set clear goals to promote professional development opportunities for its employees as part of its ESG strategy.

To support this effort, policies will be implemented to promote skills development by increasing training up to the 2025 target of an average of four days of training. Added to these targets is the extension of Academy accessibility to all Group Companies, to increase general training hours provided through the Academy, to expand the training offer proposed by the Academy, and to make the platform the collector of Group training hours. The setting and monitoring of these targets followed the same dynamics as described in the previous section.

GOAL	ACTIVITY	TARGET	DUE DATE	GEOGRAPHICAL AREA	IMPACTED STAKEHOLDERS	2024 MONITORING
Talent Management	Foster internal growth through a performance management program	Gruppo	2024	All the geographical areas where the Group operates	Employees	Achieved in 2024. During the course of the year, this goal was refined and reformulated to ensure alignment with business activities.
Support the development of workers' skill	Provide personnel with regular training on the Code of Ethics and compliance issues (e.g. ex Legislative Decree 231/01, Anti-Corruption, Anti-Money Laundering)	1 time per year to 25% of employees	2024-2028	Italy	Employees	Achieved in 2024: completed training on whistleblowing for all Italian staff and provided training on the Code of Ethics and Model 231 to new employees.
	Extend accessibility to the Group's Academy to all companies within the consolidation perimeter.	Penta S.r.l., Fea ptp S.r.l. and Doteco S.p.A.	2023	All the geographical areas where the Group operates	Employees	Achieved
		Rest of Emea	2023			Achieved
		Imea	2024			Achieved on a like-for-like basis
		Apac	2024			Achieved
		Nam	2025			
		Sam	2025			Achieved
	Increase the per capita training hours through the Group Academy	30% of the total training hours	2025	Italy	Employees	Standardisation projects to increase training hours provided launched.
			2026	Emea	Employees	
			2028	All the geographical areas where the Group operates	Employees	
	Make the Group Academy the collector training hours at Group Level	All training hours (including H&S)	2027	All the geographical areas where the Group operates	Employees	Project launched
	Enriching the training offered in the Academy in order to enhance certain skills and knowledge (e.g. leadership, digital, soft skills, sustainable behaviour, etc.)	minimum 3 hours per capita	2024	Italy	Employees	Not achieved. In Italy 1.6 hours per capita. For two quarters the Group did not have an academy manager and for the whole year it was without a trainer. In 2025, the choice of online courses was expanded.
			2025	Emea	Employees	
			2024	All the geographical areas where the Group operates	Employees	2,88 hours per capita.
	Increase training hours	4 days per year	2025	All the geographical areas where the Group operates	Employees	In 2024 there was a slight decrease, about 3 days of training

[S1-13]: Training and skills development metrics

Table S1-13: Average per-capita training hours - by gender

Average training hours per employee	2024	2024 (like-for-like basis)	2023	2024 VS 2023 (on a like-for-like basis)
Male	25.36	26.96	28.22	(4.5)%
Female	25.08	24.55	32.04	(23.4)%
Other / Not Reported	-	-	-	
Total	**25.32**	**26.55**	**28.88**	**(8.1)%**

Table S1-13: Average per-capita training hours - by employee category

Average training hours per employee – by employee category	2024	2024 (like-for-like basis)	2023	2024 VS 2023 (on a like-for-like basis)
Managers	18.25	17.20	27.25	(36.9)%
Middle Managers	24.28	24.98	28.78	(13.2)%
White Collars	26.19	26.66	31.54	(15.5)%
Blue Collars	24.43	27.39	24.31	12.7%
Total	**25.32**	**26.55**	**28.88**	**(8.1)%**

The methodology applied for each of the above metrics is point in time: training hours completed by the entire Group at year-end have been reported.
Two tables are presented below that clearly illustrate the hours of training provided, referring to the GRI indicators, which were adopted until last year for the preparation of the sustainability report.

Table S1-13: Total training hours provided

Ore	2024	2024 (like-for-like basis)	2023	2024 VS 2023 (on a like-for-like basis)
Total training hours	**52,808**	**48,581**	**52,124**	**(6.8)%**

Table S1-13: Total training hours provided by type of training

Type of training / Hours	2024	2023
Customized role technical training	19,207	23,574
Health & Safety	16,015	11,054
Legal topics	2,068	1,317
Product & Application Training	5,139	5,049
Training of new employees (onboarding plan)	5,511	6,030
Social Responsibility	1,237	319
Soft Skills (team building, communication, public speaking)	3,631	4,781
Total	**52,808**	**52,124**

During 2024, total training hours increased from 52,124 hours to 52,808. On a like-for-like basis, however, training hours decreased to 48,581. This trend is mainly attributable to a decrease in hours of specific technical training and onboarding due to a reduction in the number of trainers in charge of delivering this kind of training. This resource was replaced at the end of 2024, and 2025 is expected to show an increase again. Conversely, there was an increase in training hours devoted to Social Responsibility issues, from 319 in 2023 to 1,237 in 2024, and in training related to legal aspects.

Similarly, at the level of hours per capita, a decrease is reported from about 29 hours of average training to 25 (rising to 27 on like-for-like scope). The decrease is mainly attributable to the consolidation of NuVu, which on average provided fewer per-capita training hours than the rest of the Group - in addition to that already mentioned.

The Group is taking steps to again be able to increase the total and average number of training hours per capita with a number of initiatives including:

- Expanding the choice of online courses;
- Increased access on the Litmos / Piovan Academy platform:
- Use of tools related to artificial intelligence to record and translate training through recording in the Litmos platform to make them usable to a greater audience; Improvements in record keeping of training hours.

Table S1-13: % Employees that participated in regular performance and career development reviews

%	2024
Male	60.0%
Female	63.1%
Total	**60.5%**

To calculate this percentage, the point-in-time figure of the number of periodic performance and career development reviews conducted in the year by each Group subsidiary was collected; this figure was then related to the total number of employees at December 31, 2024.

Occupational health and safety

Regarding Health and Safety, the Group is committed to managing its production activities in full compliance with existing laws and regulations at every plant, so as to avoid or minimize occupational risks and thereby ensure the safety of its employees, in addition to any other person directly or indirectly involved in company activities.

In addition, the Group is working to develop and maintain a comprehensive risk analysis procedure to identify all potential prevention and protection measures, as well as initiatives to help improve workplace safety conditions.

[S1-1]: Policies related to own workforce – Health and Safety

The Group-wide Health and Safety Policy complements the various policies already in place[10] at the company’s sites, where local health and safety regulations are implemented and enforced. For example, Piovan North America's U.S. subsidiaries have a Security Committee that, among other things, is responsible for annually updating the Security Policies to ensure their continued validity. The objective of the policy is to ensure a safe and healthy working environment for all employees, prevent accidents and minimise occupational health and safety risks.
The addressees of the policy and its dissemination as well as its approval follow the same rules described in the section "Policies related to own workforce”.

[S1-2]: Processes for engaging with own workers and workers’ representatives about impacts – Health and safety

The Group is committed to communicating health and safety information to employees in both physical form, using bulletin boards in the various production areas, and digitally on the company intranet, which is accessible to all employees. These communications concern new procedures, temporary notices, trends in injuries, invitations to training programs and appointments for medical exams. The safety office organizes events annually (and as needed) to discuss work-related injuries, the use of new equipment, safety procedures, emergency response and the use of new personal protective equipment. Periodic consultations with employee health and safety representatives (RLS), are scheduled to analyze the company's health and safety status and decide on the various measures to be taken to mitigate or minimize any critical issues detected. Employee health and safety representatives can also set up extraordinary consultations in the event of danger or situations that require urgent action.

[10] Such as: Injury Illness and Near Miss Reporting policy, Injury and Illness Prevention policy and Job Hazard Analysis Procedure.

[S1-4]: Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those action – Health and safety

Health and safety officers have been identified in each Group branch, clearly identified by all staff, and periodic health and safety prevention audits are carried out (internally where possible and/or by an external company for smaller branches).

In order to demonstrate its commitment to occupational health and safety, the parent company Piovan S.p.A. obtained an ISO 45001:2018 certification on November 26, 2019, for its offices, production site, and warehouse located in Santa Maria di Sala, Venice.

In order to minimize possible risks and hazards at work systematically, checks are made by mapping possible hazards considering work activities, equipment used, chemical/dangerous substances, building characteristics and then high-risk or low-risk activities are identified. In order to minimize the risk of operational activities, the Group ensures that all measures of prevention (e.g. reducing speed limits, delimiting and indicating pedestrian lanes, high-visibility vests) are used.

For the branch offices in Italy, agreements are reached with the trade unions concerning changes, updates on assessment of risks and on all safety procedures that concern the offices and production facilities.
Occupational health services aim to ensure employee health in relation to their workplace. This is made possible by competent, qualified professionals in line with standards and guidelines in effect in the various countries in which the Group operates. The occupational health services aim to minimize health and safety risks and identify hazards in order to eliminate them. In order to facilitate access to occupational health services, appointments are available on site during business hours. The Group does not use personal health information as criteria for making decisions on employment, terminations, or salary. This information is archived confidentially, and only the company doctor has access to such archives. Employee medical files are provided to the employer in sealed envelopes, so the employer does not have access to this information.
All accidents and incidents are reported promptly and documented to ensure prompt and effective management for any potentially dangerous situation in the workplace.

[S1-5]: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities – Health and safety

One of the ESG targets approved in 2024 is to increase training hours per capita in Health and Safety.

The setting and monitoring of these targets followed the same dynamics as described in the previous section.

GOAL	ACTIVITY	TARGET	DUE DATE	GEOGRAPHICAL AREA	IMPACTED STAKEHOLDERS	2024 MONITORING
Support the development of workers' skill	Increase the per capita training hours on Health and Safety	+15% training hours	2024-2028	All the geographical areas where the Group operates	Employees	Achieved: + 81% on a like-for-like basis

[S1-14]: Health and safety metrics

Table S1-14: Health and safety metrics

	2024	2023
Percentage of employees who are covered by the company's health and safety management system	93.7%	n.a.
Number of fatalities as a result of work-related injuries and work-related ill health	0	0
Number of fatalities as a result of work-related injuries and work-related ill health for non employee workers	**0**	**0**
Number of recordable work-related accidents	**17**	**25**
Rate of recordable work-related accidents (Accidents per million hours worked)	4.25	7,50
Number of cases of recordable workrelated ill health	0	0
number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	170	227

During 2024, all injury indices report an improvement over the previous year, reflecting the Group's continued focus on these issues.
To calculate the metrics, data were collected for each branch without using estimates.

ESRS S2 - Workers in the value chain

[ESRS 2 SBM-3]: Material impacts, risks and opportunities and their interaction with strategy and business model

Operating in a multinational context, the Group has always placed great emphasis on respect for universally recognized human rights, considering them fundamental and indispensable values of its corporate culture and strategy. Actively engages in managing and mitigating the potential risk of violation of these rights, with the goal of preventing or avoiding any contribution to negative impacts. This commitment extends to the entirety of its global operations, which feature ethnic, social and economic diversity, and affects both its own workers and those involved throughout the value chain.

As previously described, the double materiality analysis conducted led to the identification of two impacts related to workers in the value chain and one risk that, through found to be under the materiality threshold, the Group has decided to report.

I/R	Type	Name	Description	Value chain	Time horizon
Impact	NEGATIVE POTENTIAL	Failure to respect Fundamental Freedoms as well as respect for Human Rights along the value chain	The Group, which also operates in at-risk countries, could engage suppliers who may violate Human Rights. To mitigate this possible negative impact, the company strives for respect for fundamental freedoms and adopted and disclosed in 2023 a Human Rights Policy drawing inspiration from the principles set forth in the United Nations International Bill of Human Rights and by the International Labour Organization.	Value Chain	Short Term
Impact	NEGATIVE POTENTIAL	Failure to respect equal treatment and opportunity, and working conditions for workers in the value chain	The Group, which also operates in at-risk countries, could engage suppliers who may violate Human Rights or fail to respect working conditions along the value chain, fail to respect equal opportunities, such as: - secure employment; - working hours; - adequate wages; - social dialogue; - freedom of association and collective bargaining; - work-life balance; - health and safety; - gender and pay equity; training and skills development; - employment and inclusion of people with disabilities and diversity in general; and measures against violence and harassment in the workplace. The Group publishes and disseminates its Code of Ethics and ESG policies to promote appropriate working conditions and equal opportunities along the value chain.	Value Chain	Short Term
Risk		Risks concerning a failure to respect human rights	Risk of non-compliance with human rights, both in the Group's scope and along the value chain with consequent risk of sanctions	Value Chain, Own Operations	Short Term

The impacts and risks identified potentially apply to all workers in the value chain, without exception.

The Group has identified workers in the value chain who may be affected by business operations, including categories exposed to potential impacts, which include workers employed in both upstream and downstream manufacturing activities.

There is currently no detailed information regarding workers who are particularly vulnerable to the adverse effects identified by context and characteristics. In 2024, to the best of our knowledge, there are no significant risks of child labor, forced or coerced labor among workers in the value chain.

[S2-1]: Policies related to value chain workers

The Piovan Group has adopted several Policies over the years to manage the impacts on workers in the value chain and reduce potential related risks:

- Code of Ethics (updated in 2024);
- Diversity Policy (2023);
- Human Rights Protection Policy (2023)

These policies, fully described in chapters "ESRS S1 - Information on own workforce" and "ESRS G1 - Governance information" are available on the Company's website.

The Piovan Group expects its business partners, including vendors, agents or other third parties to maintain principles at least equivalent to its Code of Ethics when conducting business for or with the Group and in managing their personnel. This provision is contained in most contracts and standard terms and conditions of sale.
All Group suppliers must also observe high ethical standards in the conduct of their business and treat their staff, without exception, with respect and dignity. The Piovan Group is committed to paying a decent wage to all its employees and expects its suppliers to do the same.
In the interests of further strengthening its principles, and in addition to the Code of Ethics, Piovan has prepared a Human Rights Policy, which is inspired by the key international human rights standards. This makes explicit its commitment to adhere to guiding principles - such as, for example, prohibition of all forms of forced labor, adequate working conditions, occupational health and safety - in each country in which it operates, while taking into account local cultural, social and economic diversity.
The Group does not currently have a specific code of conduct for suppliers, but it has actively worked to include it in its sustainability goals.
In 2024, within the limits of the information available to the Group, there were no incidents of non-compliance with the United Nations (UN) Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct involving workers in the value chain, nor were there any reports of serious human rights issues or incidents.

[S2-2]: Processes for engaging with value chain workers about impacts

The Piovan Group actively involves workers in its value chain in assessing impacts that affect them. This is achieved through various initiatives, including - to name just a few:

- The administration of an ESG questionnaire to some random suppliers and new suppliers with whom a relationship is established. In addition, in 2024, suppliers participated in the assessment of impacts under Double Materiality (impact materiality);

- Training provided to some customers and workers employed by customers on the use of Group equipment either at the customer's site, online, or at Group sites;
- Interaction of sales and branch personnel with customers through trade shows, events, seminars, customer service surveys, trade associations and social media. This involvement process takes place on a regular basis, with meetings and defined moments of confrontation.

These evolving engagement processes are guaranteed on the basis of differentiated responsibilities that ensure cross-cutting levels of responsibility within the enterprise.

[S2-3]: Processes to remediate negative impacts and channels for value chain workers to raise concerns

The Piovan Group fosters a corporate environment in which violations of the law or conduct deemed unlawful or non-compliant with the principles and values of the Code of Ethics can be reported without detrimental consequences. As will be specified in section "ESRS G1 - Governance information", Piovan encourages reporting in good faith any irregularities through the appropriate channel suitable to ensure confidentiality on the identity of the reporter and the contents of the report, in compliance with the adopted *whistleblowing* procedures. The entity in charge of receiving and handling reports is the Piovan Group's Ethics Committee, composed of two function heads (HR and Finance) and an external professional. The channel is publicly accessible through a link on the Group's website[11]. This channel is available to all workers in the value chain and freely accessible online, though it should be specified that there is no dedicated activity to understand whether workers in the value chain are aware of the existence and operation of this channel.

[S2-4]: Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action

For the management of risks and possible worker-related negative impacts on the value chain, Piovan S.p.A. conducts random site visits and audits at the facilities of suppliers in its value chain, both using internal and external resources. It also works within its own facilities to identify reasonable, practical, effective and beneficial remedies to the material impacts observed during their daily operations. The checks carried out cover Worker Health and Safety and the environment, among other matters.

During 2024, no cases of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises with Workers in the Value Chain, as well as serious human rights problems and incidents, were known.

[11] https://www.piovan.com/it/compliance/

[S2-5]: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In 2023, the Group adopted a number of ESG targets with the aim of, among other things, improving its social responsibility. Among the targets set by the Group, the following are those that could have a positive impact on workers in the Group's downstream value chain.

<table>
<tr><th>GOAL</th><th>ACTIVITY</th><th>SCOPE</th><th>DUE DATE</th><th>GEOGRAPHICAL AREA</th><th>IMPACTED STAKEHOLDERS</th></tr>
<tr><td rowspan="8">Strengthen supplier engagement tools and create a relationship that includes ESG issues</td><td rowspan="2">Make the procedure for evaluating and monitoring suppliers. Include in the procedure the possibility of conducting physical audits of suppliers.</td><td>Italian companies</td><td>2025</td><td>Italy</td><td rowspan="2">Suppliers</td></tr>
<tr><td>Group</td><td>2027</td><td>All the geographical areas where the Group operates</td></tr>
<tr><td rowspan="2">Implement the procedure. Include in the supplier quality questionnaire issues related to sustainability, ESG, considering human rights.</td><td>Italian companies</td><td>2025</td><td>Italy</td><td rowspan="2">Suppliers</td></tr>
<tr><td>Group</td><td>2027</td><td>All the geographical areas where the Group operates</td></tr>
<tr><td rowspan="2">Include ESG considerations in the periodic supplier performance assessment</td><td>Italian companies</td><td>2025</td><td>Italy</td><td rowspan="2">Suppliers</td></tr>
<tr><td>Group</td><td>2027</td><td>All the geographical areas where the Group operates</td></tr>
<tr><td>Assess the implementation of a "pilot" project for engagement on sustainability issues aimed a selected group of suppliers.</td><td>Piovan S.p.A.</td><td>2027</td><td>Italy</td><td>Suppliers</td></tr>
<tr><td>Strengthen Governance along the value chain</td><td>Draw up the Group's first Code of Conduct to be shared with all suppliers</td><td>Group</td><td>2028</td><td>All the geographical areas where the Group operates</td><td>Suppliers</td></tr>
</table>

ESRS S4 - Consumers and end-users

[ESRS 2 SBM-3]: Impacts, risks and opportunities and their interaction with strategy and business model

Below are the impacts, risks and opportunities with reference to the Group's end consumers:

I/R/O	Type	Name	Description	Value chain	Time horizons
Impact	POSITIVE ACTUAL	Customer involvement in the commercial offer development process.	Commitment to the development of innovative projects by involving customers in the development and production process from the initial request phase to the development of the commercial offer (co-engineering).	Value Chain – Customers	Short Term
Impact	POSITIVE POTENTIAL	Contribution to the development of innovative technological solutions, providing its customers with new products and services.	Development of innovative technological solutions through Research and Development activities and collaboration with external partners such as customers, suppliers, research centers and universities. Contribution to the growth of the sector and local markets. Promotion of increasingly sustainable technologies and products contributing to the economic, social and environmental well-being of the community.	Value Chain – Customers	Short Term
Impact	POSITIVE ACTUAL	Attention to the quality of products and services.	Commitment to adopting high standards of quality and safety. Adoption of management systems to guarantee to customers the safety of the product and service sold.	Value Chain – Customers	Short Term
Impact	NEGATIVE POTENTIAL	Negative impacts to all stakeholders due to cybersecurity non-compliance.	An internal hacking attack could damage not only the company's reputation but also some stakeholders, such as employees, customers and suppliers. To counteract this potential negative impact of internal and external hacking, the company has adopted an ICT Policy in the head quarter and an ICT Corporate Security Officer.	Own Operations	Short Term
Impact	POSITIVE ACTUAL	Positive impact on stakeholders resulting from the protection of personal data.	The Group applies, in accordance with national legislation, the privacy manual and disseminates information for the processing of personal data, guaranteeing stakeholders confidentiality and non-dissemination of their personal data and compliance with the applicable legislation on the matter.	Own Operations	Short Term
Impact	NEGATIVE POTENTIAL	Possible loss of sensitive and confidential data of customers and suppliers.	The Group uses appropriate practices for the management of sensitive customer and supplier data, in accordance with the GDPR and national legislation.	Own Operations	Short Term
Risk		Risk of internal hacking.	Risk of internal hacking with consequent dispersion of confidential information and company know-how with possible loss of customers.	Own Operations	Short, Medium and Long Term
Risk		Risk of external hacking.	Risk of external hacking, and inadequate management of logical access with consequent impacts on business and reputation.	Own Operations	Short, Medium and Long Term

All of our consumers and end-users are industrial customers in the sectors of technical polymers (automotive, medical, electronics and packaging), food and industrial application, including the range of services and spare parts.

To the best of its knowledge, the Group does not have customers with particular characteristics that are more exposed to risk. Furthermore, relevant risks and opportunities arising from impacts and dependencies in relation to consumers and end-users related to specific groups have not been identified.

[S4-1]: Policies related to consumers and end-users

In January 2025, the Piovan Group approved the Cybersecurity Policy, which it had already worked on during 2024 to implement and mitigate potential negative impacts. This policy was adopted to manage impacts and reduce potential cybersecurity risks.
The policy defines principles, guidelines, and procedures to protect the Piovan Group's ICT infrastructure from unauthorized access containing several security measures, including but not limited to access controls, data encryption, incident response protocols and periodic security audits. The scope of this policy extends to all persons affiliated with the Piovan Group, including employees, contractors, consultants, temporary workers and third-party vendors who have access to the organization's information systems, networks and data. This Policy was prepared by the IT department of Piovan S.p.A.
The Corporate Security Officer is responsible for implementing the policy, and each Group subsidiary is in the process of acquiring a local security officer (who can be chosen from among internal resources or - as an alternative - relying on external resources). The policy has been published on the company intranet in order to disseminate it throughout the Group. The policy in question was approved by the ICT Director.

The company is committed to ensuring that its products do not compromise the health, safety and physical integrity of its customers. The Group has also adopted a Human Rights Policy in which the addressees include anyone who works with Group companies in any geographical area in which the Group operates, without providing specific, detailed provisions on customer categories. The Group does not have information relating to potential downstream value chain violations of the principles of the United Nations Global Compact or the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct that relate to end-users.

For a description of these policies, see the section “ESRS S1 - Information on own workforce”. Additional information is available on the Company’s website.

[S4-2 / S4-3]: Processes for engaging with consumers and end-users about impacts and to raise concerns

The Group's business model focuses mainly on two aspects: innovation and customer relations. Specifically, the Group's business model involves customers in the development and production process from the initial application and creation phase of the commercial offer.
When implementing complex projects with objectives regarding production capacity, process quality, performance level, integration between production sites and others, the Group also involves these customers in co-engineering processes to create innovative solutions. The Group further uses its expertise in innovation and integration of technology from various industrial sectors to create *cross-fertilization* and develop bespoke solutions.

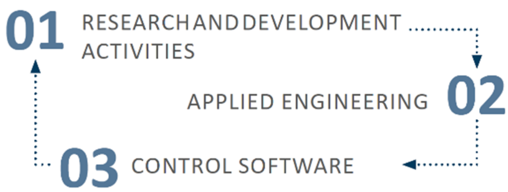
The Group monitors the degree of customer satisfaction not only through market performance, but also through a Customer service survey, launched in 2014, which is prepared together with the Service Report

and then signed by the customer. As the Group is always on the lookout for ways to improve and meet its customers' needs, collecting their opinions is an important step in this direction. To obtain realistic feedback, a platform is used that offers the freedom to choose between anonymity and the ability to leave one's email address to be contacted later. Through this initiative, a wide range of opinions were collected, enabling Piovan Group's services to improve according to customers' needs.
Upon each completion of the service report (which includes a question on the recipient’s satisfaction with Piovan), the customer also receives a copy of the survey. Feedback shows that negative ratings are significantly lower than positive ratings: "outstanding”, "excellent” and "good" are always prevalent. In the event that a questionnaire has numerous negative reviews and is not anonymous, management responds directly to the customer. This approach ensures that all critical points are addressed and improved to ensure optimal service.
The Piovan Group guarantees maximum protection towards customers and stakeholders who report problems through official channels. Any form of retaliation against those who express concerns or requests for assistance is forbidden. All reports, including anonymous ones, are treated confidentially in compliance with personal data protection regulations.

[S4-4]: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions

Innovation Research & Development

Piovan Group attaches strategic importance to the research and development of the products and new solutions required to maintain its market leadership position.
The Group considers innovation as one of its founding values, one which all employees must be aware of in order to improve customer process efficiency and encourage the creation of innovative projects.



The strategy of focusing on the circular economy continued in 2024, and the Research and Development team focused on creating innovative solutions for processing recycled materials, while not neglecting core products. The Group is structured into technical offices located in specific branches that functionally report to the research and development department located in the headquarters to better coordinate *technology transfer* activities.
Including costs and investments, 2024 spending on R&D totaled Euro 23.4 million, which accounted for 4.1% of total revenues and recurring income. As at the end of 2024 there are 316 staff members in the Engineering & Innovation department.

The strengths of the Group's research and development are:

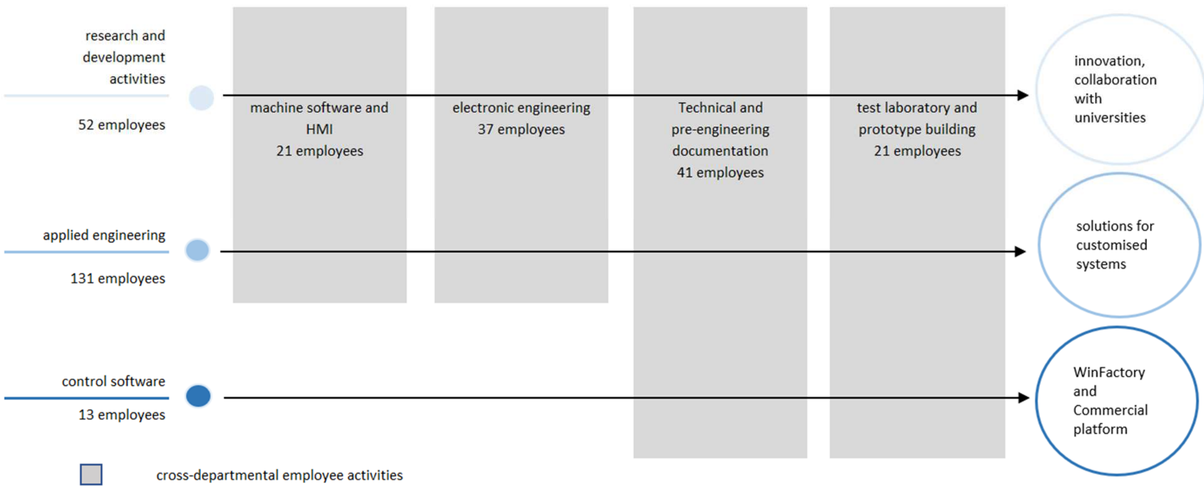
- the ability to make innovative, locally developed solutions available globally;
- the ability to offer bespoke engineering solutions.

This is made possible by the substantial expertise gained from in-depth knowledge of the industrial processes carried out in the various end-markets that the Group serves.

In terms of intellectual property, Piovan Group holds 125 patent families, of which 22 are in the circular economy or otherwise related to recycling (four more than in 2023). Industrial property titles in different countries total 292 allowing for greater protection of know-how and intellectual property in all major target markets.

To consolidate and strengthen its leadership in innovation, the Group implements recruitment policies aimed at hiring young, highly qualified professionals to the R&D department so as to develop innovative solutions capable of creating added value for the Group.

ORGANISATIONAL STRUCTURE OF RESEARCH AND DEVELOPMENT AND ENGINEERING DEPARTMENTS



Quality of products and services

The Group's strategic approach to total quality has resulted in a significant competitive advantage and allows Piovan to meet customer expectations and continuously improve its products and production processes.

Some Group companies possess ISO 9001:2015 certification for their Quality Management System[12], which covers the entire product lifecycle, from research & development to sales, delivery, installation and post-sales assistance.

All products undergo functional tests before delivery to ensure customers receive safe products, as well as the services they pay for.

Piovan Group has implemented a sophisticated quality control system that oversees the entire supply chain, from supplier selection to production and post-production. Functional tests are carried out on individual machines to guarantee product and service safety for the customer. Each piece of machinery is tested when it comes off the production line and before it is delivered. In cases where a machine and/or system is sold with installation, a commissioning report of the system is expected to be signed and an acceptance report from the end customer to attest that the work was carried out correctly, completed and accepted.

The Group has adopted specific processes to manage and solve any problems reported by customers and end users, guaranteeing timely and effective intervention, in line with the previous paragraph.

Privacy

The Piovan Group considers the confidentiality and protection of data, including personal data, a fundamental element to be guaranteed to its stakeholders; in fact, only through transparent and secure relationships with its stakeholders can the Company guarantee reliable and long-lasting relationships.
Piovan S.p.A. has adopted a privacy management model that provides for the appointment of managers for each company function, in accordance with applicable regulations. Each Italian branch is a data controller, while the GDPR applies to European branches, with local regulations complied with. Among the main compliance measures, Piovan S.p.A.:

- has prepared a privacy organization chart;
- has adopted the Privacy Management System (Privacy Manual);
- established a Processing Record;
- implemented the Corporate Regulations for the Proper Use of Information and Communication Technology Tools (IT Policy);
- has adopted a comprehensive arrangement of privacy notices for employees, business partners, website users and third parties.

[12] Piovan S.p.A., Aquatech S.r.l., Penta S.r.l., Thermalcare Inc., Pelletron Europe, Nuvu Conair Private LTD. hold ISO 9001 certification and account for about 44% of Group production.

All adopted documentation is available to employees on the company intranet, and constant assistance on privacy issues is guaranteed by the legal function of Piovan S.p.A. and the external law firm. The Group plans to begin a specific training cycle to ensure awareness of the approved documentation more widely within the Group.
Piovan Group monitors the effectiveness of its data protection policies through internal audits and regular updates of security measures, ensuring regulatory compliance and consumer protection.
During 2024, there were no complaints regarding the violation of customer privacy and no data leaks.

Cybersecurity

To reduce the risk of internal hacking, the Group adopts various security measures in line with internal guidelines. These include the authorization system and, for some offices, blocking the use of USB flash drives, cloud storage services and file sharing platforms. To mitigate the risk of external hacking, the Group mapped the vulnerabilities of systems in 2023, and intrusion tests were conducted in November 2024 through specialized consultants who confirmed the effectiveness of security measures. The antivirus and XDR (Extended Detection and Response) solution prevented unauthorized access, ensuring the protection of the company's systems.

To strengthen cybersecurity, the Group has introduced a dedicated platform for cybersecurity awareness, accessible to all staff and compliant with the requirements of the NIS Directive 2. This tool enables the distribution of training content to employees, regarding cybersecurity risks. During the year, 512 employees participated in cybersecurity training courses.

In addition, to reduce overly permissive configurations in systems, a control system was integrated to evaluate misconfigurations in on-premise and cloud environments. Assessments conducted since February 2024 for about seven months revealed significant critical issues, leading to the implementation of hardening measures on Active Directory and Microsoft 365, with a focus on securing cloud environments. In addition, the activity began of installing bitlockers in corporate PCs, and finally, the NinjaOne solution was purchased to automate the process of distributing security updates to all PCs.

[S4-5]: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

At present, no specific customer-related ESG goals have been identified, though short-term goals on impacts and risks addressed are reflected in the Piovan Group's overall strategy.

Governance information

ESRS G1 – Business conduct

[ESRS 2 IRO-1]: Impacts, risks and opportunities

The Company considers a proper governance structure and an effective Internal Control and Risk Management System to be key to its management and organization. These two elements take the form of tools, processes and entities deemed necessary and useful to oversee, manage and supervise Company operations, with a view to carrying out efficient and ethical business activities.
The Double Materiality Analysis revealed the following material impacts and risks:

I/R/O	Type	Name	Description	Value chain	Time horizons
Impact	POSITIVE POTENTIAL	Spreading a correct corporate culture through training actions.	Positive impact resulting from the dissemination of the principles contained in the Code of Ethics to the entire Group and commitment to ensure continuous and cyclical training on these issues. One of the Group's objectives is precisely to increase the hours of training per capita.	Own Operations	Short Term
Impact	POSITIVE POTENTIAL	Potential positive impact resulting from the possibility of reporting anonymously for stakeholders.	Positive impact resulting from the provision of an external ad hoc platform with adequate levels of protection. The Group has set up an ad hoc procedure, an ethics committee with an independent external member and is committed to providing training on the use of this tool and on the relevant legislation.	Own Operations	Short Term
Impact	POSITIVE ACTUAL	Benefits for all stakeholders through high ethical standards.	An adequate Governance system allows the creation of value in the long term and guarantees stable and lasting relationships with all stakeholders involved. We adopt the principles of the Corporate Governance Code of Listed Companies.	Entire Value Chain	Short Term
Impact	POSITIVE ACTUAL	Positive impact resulting from correct management of suppliers also considering compliance with payment practices agreed with them.	Positive impact resulting from consolidated relationships with its suppliers, respecting payment conditions, certain that a healthy and transparent collaboration with its supply chain brings long-term benefits by reducing the risk of delays in deliveries, reducing inefficiencies in production, improving service to the end customer.	Value Chain - Suppliers	Short Term
Impact	NEGATIVE POTENTIAL	Episodes of corruption.	The Group, aware of the potential negative impact that corruption incidents could have, is committed to preventing any incidents through the application of policies, procedures and reporting mechanisms for potential irregularities or illicit behavior. Through the Code of Ethics, it is committed to ensuring fairness in relationships.	Own Operations	Short Term
Impact	NEGATIVE POTENTIAL	Negative impacts on the environment and society due to failure to select virtuous suppliers.	Possible inadequate management of supplier selection procedures and failure to monitor the supply chain according to ESG criteria, with the consequent lack of assessment of the social and environmental impact of its supply chain. The Group will adopt a Group policy and a vendor ranking to evaluate and monitor suppliers from an ESG point of view.	Own Operations	Short Term
Impact	POSITIVE ACTUAL	Ability to generate wealth for the benefit of its stakeholders.	Economic growth is seen as an integral part of the strategy, to create long-term value for all stakeholders	Value Chain and own operations)	Short Term
Impact	POSITIVE ACTUAL	Positive impacts on the territory for tax payment.	The Group, by committing to pay taxes in the various countries in which it operates, creates positive impacts on the territory by supporting locally where it is present.	Own Operations	Short Term
Impact	POSITIVE ACTUAL	Positive impacts on shareholders and potential investors resulting from the transparency of information provided to the market and an adequate system of dialogue with shareholders.	The Group, through the adoption of the policy for dialogue with shareholders, through all the obligations connected to market abuse regulation and through continuous training for the governing bodies, guarantees transparent communication with the market.	Own Operations - Investors	Short Term
Risk		Risk of inconsistency between the sustainability strategy and the business strategy.	Risk of inconsistency between the sustainability strategy and the business strategy and of failure to communicate and disseminate the values of the organizational culture at all levels of the organization.	Own Operations	Short and Medium Term

[G1-1]: Corporate culture and business conduct policies

Code of Ethics

In order to clearly define core values and responsibilities, the Piovan Group has decided to adopt a Code of Ethics, approved by the Board of Directors of the parent company, transposed by the subsidiary entities and intended for the corporate bodies, auditors, staff as well as all those who work in a relevant or continuous manner in the name of, on behalf of or in the interest of Piovan Group. Compliance with the code of ethics is also required of suppliers and partners in the value chain, who are encouraged to adopt similar virtuous principles in their operations. Compliance with the Code of Ethics by addressees, each within the scope of its functions and responsibilities, is fundamental to the efficiency, trustworthiness and reputation of the Piovan Group. The values and principles set out in the Code seek to increase organizational efficiency and guide addressees towards positive objectives that are beneficial both for those directly concerned and for the environment as a whole, through the improvement of internal relationships and attention to good reputation. The Code of Ethics can be found on the company website www.piovan.com, Investors/Corporate Governance/Corporate Documents section.

The Group wishes to use this Code of Ethics to highlight and disseminate the behavior and values that it has always held, for example:

- Correctness Imprint the conduct of business activities with the principles of loyalty, fairness, transparency and efficiency. These principles represent Piovan Group's assumption of responsibility toward an honest, open and collaborative work environment. All activities, operations and conduct by Addressees must be lawful, proper and in accordance with internal procedures as well as applicable regulations of the countries where Piovan operates.
- Integrity: Consider ethics as a primary concern for Piovan. Behavior that, while abstractly appearing to favor Piovan, is in conflict with current regulations or the Code of Ethics is not tolerated.
- Transparency: All actions, transactions and negotiations carried out in the name and on behalf of Piovan must be inspired by clarity, completeness of information and truthfulness, as well as legitimacy in form and substance.
- Diligence and Professionalism: Carry out its work activities with impartiality, loyalty and competence required by the nature of the tasks and functions exercised, in compliance with the applicable regulations and internal procedures provided for each area of activity. Individuals working within Piovan, i.e., those to whom Piovan entrusts the performance of certain services, have proven requirements of competence, professionalism and experience. Piovan deplores all forms of recommendation and cronyism.
- Respect: Consider mutual respect as an essential requirement in business life. Bullying, threats, or conduct aimed at conditioning the actions of others in a way contrary to the law or the Code of Ethics, or conduct that is insulting or, in any case, damaging to decorum and personalities, is not tolerated. Piovan strongly condemns any incitement or propaganda acts aimed at spreading racist or xenophobic ideologies, as well as denial, gross minimization or apologia of the Holocaust

or crimes of genocide, crimes against humanity and war crimes, as defined by Articles 6, 7 and 8 of the By-Laws of the International Criminal Court.

- Impartiality: Counter all kinds of discrimination related to age, physical condition, disability, sex, sexual orientation, gender identity, ethnicity, nationality, political or labor views, religious beliefs, health status, etc.
- Occupational health and safety: Know, comply with and promote all laws and regulations related to occupational health and safety. Piovan is committed to ensuring safe and healthy work environments and achieving the goal of "zero injuries".
- Quality: Continuously ensure product compliance with applicable regulations. Piovan adopts the highest production standards in order to guarantee its customers products marked by the highest quality, reliability and safety.
- Environment: Know and comply with environmental regulations. Piovan directs business toward behaviors that are as environmentally sustainable as possible.
- Human rights: Promote and safeguard human rights and community well-being. Piovan strongly condemns any violation of applicable labor, immigration and child labor regulations

During 2024, 102 employees participated in Code of Ethics training, totaling 124 hours.
One of the central themes in the values of the Piovan Group's corporate culture is the fight against corruption: in fact, with the Code of Ethics, the Group is committed to condemning all forms of corruption and opposing any corrupt behavior. However, there is no policy specifically dedicated to corruption.

On March 6, 2024, the Company's Board of Directors approved an update to the Code of Ethics, which was also appropriate as a result of the actions taken by Piovan in order to comply with the most recent regulatory interventions on whistleblowing. Therefore, a dedicated channel has been established for both internal and external stakeholders for reporting, including anonymously. An ad hoc training session was held for employees of the Group's Italian companies.

Procedure for reporting violations. Legislative Decree No. 24 of March 10, 2023 implementing Directive (EU) 2019/1937 on whistleblowing

The procedure, which can be consulted on the Company's website[13], governs the system for sending, receiving and handling reports. It applies to the Italian companies of the Piovan Group. It defines who can be whistleblowers, violations, reporting contents, anonymous reporting, excluded reporting, internal reporting channel (WB platform), report recipients (ethics committee), internal reporting management process, confidentiality on the identity of the whistleblower, safeguards, protection of the whistleblower, processing of personal data, external reporting, liability and sanctions, tracking and archiving, adoption, dissemination and training.

The procedure was approved by the Board of Directors of Piovan S.p.A. on March 6, 2024, and was published on the institutional website and in a special section of the company intranet. All Italian branches

[13] www.piovan.com, in the *Investors/Corporate Governance/Corporate Documents* section.

then consequently approved and adopted it. The administrative bodies of the Piovan Group companies have implemented the procedure and promote appropriate training initiatives on whistleblowing, in coordination with the parent company.

An Ethics Committee was formed with one independent external member and two internal managers. The Ethics Committee, with the help of the relevant functions of Piovan Group companies, provides clear information on the channel, procedures and requirements for making Internal Reports, as well as the channel, procedures and requirements for making External Reports.

For the purpose of complying with the regulations and in implementation of the procedure, a dedicated external platform with adequate levels of protection has been set up to provide the possibility of reporting even anonymously for all stakeholders. The Group is committed to providing training, to all Italian staff, on the use of this tool and the relevant regulations.

Consistent with relevant regulations, whistleblowers who make reports in good faith are protected from all forms of discrimination and retaliation.

Policy for managing the dialogue with Shareholders of Piovan S.p.A.

The objective of the policy, which can be consulted on the Company's website[14], is to establish and maintain constant, fair, transparent and constructive dialogue with the Shareholders, in compliance with the provisions of applicable law and regulations. The core principles of the policy are: transparency; clarity; timeliness; equal treatment and access to information; compliance; and avoiding any form of unwarranted selective information. The Chief Executive Officer, supported by the Investor Relations Manager is responsible for the proper implementation of the Policy.

Tax Management Policy

To pursue responsible conduct in all countries where the Group has a presence in 2023, the Tax Management Policy was approved.

The policy, which was approved on September 12, 2023 by the Board of Directors of Piovan S.p.A. and disclosed on the Company's website[15], is addressed to the corporate bodies, employees of all Group subsidiaries without exception, collaborators (including but not limited to consultants, agents, representatives, intermediaries, etc.) and anyone who cooperates and collaborates with Piovan Group companies in all geographic areas in which the Group operates. The overall goal is to describe the following principles:

- compliance with all laws, rules, regulations, and fulfillment of all declarative obligations required in tax matters in every country in which it operates;

[14] www.piovan.com, in the *Investors/Corporate Governance/Corporate Documents* section.
[15] www.piovan.com, in the *Investors/Corporate Governance/Corporate Documents* section.

- application of diligence and professional judgment, ensuring that all tax decisions are made at an appropriate level;
- since tax regulations are constantly evolving, situations may arise in which it is unclear how to apply certain tax rules to certain circumstances. In these cases, a sound risk assessment must be carried out, supported by appropriate external opinions to ensure that the tax position adopted from time to time is reasonably correct;
- developing and promoting transparent and cooperative relationships with tax authorities, government agencies and other related third parties;
- constantly interacting with industry bodies or associations, governments and other external bodies (e.g., the OECD and EU) - where possible - to promptly incorporate all changes in future tax legislation;
- not operating in countries that are considered tax havens or low-tax countries and not utilizing tax structures without commercial substance to obtain undue tax advantages;
- As regards economic transactions between Group companies, complying with the basic principles of normal value and free competition consistent with the OECD guidelines.

The adoption of the Tax Management Policy addresses the risk of inconsistency between sustainability strategy and business strategy by ensuring that tax practices are aligned with the Group's ESG commitments. As with the other ESG policies, the policy was then approved by all Group subsidiaries.

Governance targets

GOAL	ACTIVITY	TARGET	DUE DATE	GEOGRAPHICAL AREA	IMPACTED STAKEHOLDERS	2024 MONITORING
Communicate commitments on the theme of sustainability outside the organisation	Implementation of efficient (external) communication systems to communicate the Group's values in regard to ESG issues.	1) policies publication and their update on the website; 2) Sustainability Section in the hide of the website 3) editorial plan and news on the site	2028	All the geographical areas where the Group operates	All the stakeholders, local communities and collectivity	
Disseminate principles of integrity and professional ethics within the organisation	Alignment of the Whistleblowing procedure with the most recent EU regulations and extensions to foreign branches.	Group	2024	All the geographical areas where the Group operates	All the stakeholders, local communities and collectivity	Achieved

[G1-2]: Management of relationships with suppliers

Considering its supply chain as fundamental, the Group is committed to ethical and responsible practices in the procurement of goods and services, selection of suppliers, and establishment of agreements, ensuring transparency and fairness in payments.

In managing its supply relationships, the Group always abides by the payment terms agreed with the supplier. The high fragmentation of the supplier base (more than 6,500 suppliers throughout the Group) does not allow for uniform management of supplier relationships. Although the Group does not have a policy to avoid late payments to suppliers it has always respected payment terms by agreeing them beforehand, confident that compliance can lead to establishing strong ties.

What can be managed uniformly are the processes for judging and monitoring suppliers: during 2024, the "Qualification and Monitoring of Suppliers” Policy was updated, and is currently implemented by most of the Group's Italian companies. The goal is to introduce this policy gradually to the entire Group: in 2025 it is planned to be applied to the subsidiaries Ipeg Inc. in North America, Piovan Plastic Machinery Co. Ltd. in China, Piovan Do Brasil Industria e Comercio Ltda in Brazil, Doteco S.p.A. and Fea Ptp S.r.l. in Italy.

Suppliers are screened using a procedure that determines their ability to supply materials, products and services in compliance with given requests and specifications. The aim is to keep disputes to a minimum, do away with production waste, improve product performance and reliability, reduce monitoring costs, reduce production downtime, increase knowledge of supplier skills and potential and finally, to reduce risks relating to health, safety and the environment.

Suppliers are evaluated based on their organization, technical capabilities, production systems, reliability, compliance, and the timeliness of their deliveries, on potential occupational health and safety risks and finally potential ESG risks. Added to this is a reputational analysis of the supplier carried out through an ad hoc platform and in line with the "Trade Compliance Procedure”.

Suppliers are assessed and added to the company's "Vendor List”, and purchase orders can only be sent to suppliers placed on the "Vendor List”.

Vendor Ranking takes into consideration: quality index, timeliness index, competitiveness index and finally the ESG index which is derived from the ESG questionnaire completed at the evaluation or periodic stage in which the vendor's organizational capabilities are reviewed to address environmental, social and governance issues.

Starting this year, the ESG questionnaire was also applied to suppliers in South America and Asia.

Targets related to management of relationships with suppliers

GOAL	ACTIVITY	SCOPE	DUE DATE	GEOGRAPHICAL AREA	IMPACTED STAKEHOLDERS	2024 MONITORING
Strengthen supplier engagement tools and create a relationship that includes ESG issues	Make the procedure for evaluating and monitoring suppliers. Include in the procedure the possibility of conducting physical audits of suppliers.	Italian companies	2025	Italy	Suppliers	Procedure drawn up for both Italian companies and the entire Group
		Group	2027	All the geographical areas where the Group operates		
	Implement the procedure. Include in the supplier quality questionnaire issues related to sustainability, ESG, considering human rights.	Italian companies	2025	Italy	Suppliers	The procedure was applied to the companies: Piovan S.p.A, Aquatech S.r.l., Penta S.r.l.. Introduced in October to Fea ptp S.r.l. and will be applied from January 2025.
		Group	2027	All the geographical areas where the Group operates		The procedure was shared with Conair and the platform for the reputational evaluation is being chosen. In mid-October it is expected to be shared with Piovan Plastic Machinery and in November with Piovan Do Brasil.
	Include ESG considerations in the periodic supplier performance assessment	Italian companies	2025	Italy	Suppliers	The questionnaire was supplemented with ESG criteria for supplier qualification and its administration follows the application of the procedure.
		Group	2027	All the geographical areas where the Group operates		
	Assess the implementation of a "pilot" project for engagement on sustainability issues aimed a selected group of suppliers.	Piovan S.p.A.	2027	Italy	Suppliers	It will be carried out from 2026 onwards, when it is expected that the supplier evaluation procedure will have been implemented in all Group companies and will take into account what emerges from the analysis of questionnaires taking ESG criteria into account.
Strengthen Governance along the value chain	Draw up the Group's first Code of Conduct to be shared with all suppliers	Group	2028	All the geographical areas where the Group operates	Suppliers	

[G1-3]: Prevention and detection of corruption and bribery

One of the central themes in the values of the Piovan Group's corporate culture is the fight against corruption: in fact, with the Code of Ethics, the Group is committed to condemning all forms of corruption and opposing any corrupt behavior. However, there is no policy specifically dedicated to corruption, and it is not among the ESG objectives to draft an ad hoc policy.

The Piovan Group abides by the values and principles of its Code of Ethics. The Group believes that ethics should guide both internal and external relationship management. To this end, tackling and rejecting all forms of bribery and corruption is a key Group commitment. The Model, the Guidelines, the Code of Ethics, and the relative changes adopted by the Italian and foreign branches, form an integrated corpus (the "Corpus") of internal rules that seek to promote a culture based on ethics and corporate transparency.

This key objective translates into the following actions implemented by the Group:

- identification of bribery and corruption risks, as well as the implementation and maintenance of anti-corruption and extortion policies and practices;
- adoption of an organization, management and control model pursuant to Legislative Decree 231/01 by subsidiaries with offices in Italy[16], along with the planning of updates needed to incorporate new offences into the Model, which is in turn supplemented by the Code of Ethics;
- adoption of the Corporate Criminal Liability and Compliance guidelines by subsidiaries with offices abroad in order to promote the principles and practices necessary to combat corruption.[17]

Piovan S.p.A. has adopted the Organizational Model pursuant to Legislative Decree No. 231/01, which identifies as those most at risk of corruption and bribery: persons in "top management positions" and "subordinate" persons.

Top management positions concern people who actually have autonomous power to make decisions in the name and on behalf of the Company. Also included in this category are all individuals appointed by Directors to manage or direct the entity or its branches. Subordinates are Employees and collaborators and those individuals who, although not part of the staff, have a task to perform under the direction and control of Top Management. In addition to these collaborators, other external parties in this category include advisers and consultants who are appointed by the Company to conduct activities on the Company's behalf. This includes all contractual relationships or other mandates with individuals who are not employees of the Company.

Training on the implemented procedures and models is considered to be a fundamental element in the fight against corruption: in this regard, it should be noted that an ongoing training program has been implemented, aimed at providing newly hired employees of the Company and the Italian subsidiaries that have adopted their own organization, management and control models in accordance with Decree 231

[16] It should be noted that the process aimed at implementing an organization, management and control model pursuant to Legislative Decree No. 231/01 in the subsidiaries Fea PTP S.r.l. and Doteco S.p.A. is currently underway

[17] On November 25, 2024, the companies belonging to the IPEG Group, which were acquired during 2022, transposed and adopted these guidelines.

Model with an overview of the Model's contents, through specific meetings organized on a periodic basis. In addition, a copy of the Code of Ethics and 231 Model are provided to all new hires.

Training hours regarding the 231 Model, Code of Ethics and legal issues (including whistleblowing, see below) totaled 1,629 and involved all functions.
During the year, there were no specific anti-corruption training hours provided for at-risk corporate functions or for members of the administrative, management or supervisory bodies.
In addition to this, through the adoption of the Shareholder Dialogue Policy, through full compliance related to Market Abuse Regulation and through continuous training to governing bodies, the Group ensures transparent communication with the market.

[G1-4]: Confirmed incidents of corruption or bribery

As in 2023, the Group continues to report zero convictions for violations of anti-corruption laws. As such, the amount of fines for violation of anti-corruption laws, an additional metric introduced in 2024, was also zero.

Number of convictions for violation of anti-corruption and anti-bribery laws	0
Amount of fines imposed	0

[G1-6]: Payment practices

During 2024, no legal proceedings were filed against any Group company for late payment, and as of December 31, 2024 there were no related pending legal proceedings.

In terms of supplier payment practices, an average effective payment time of approximately 46 days is reported, as calculated from the date of the invoice. In order to determine the average payment time of an invoice, the actual DPO (Days Payable Outstanding) was calculated as the average of two methodologies: one based on the total monetary value of invoices and the other based solely on the number of total invoices. The analysis was performed on a sample representing approximately 82% of the value of the Group's purchases. Subsequently, the value obtained was adjusted, taking into account the average deviations between actual DPO and theoretical DPO of the sample, compared to the Group's theoretical DPO, determined as the ratio of trade payables to operating expenses (OPEX).

The contractual terms normally agreed upon by the Group are 30-, 60- and 90-day payments for the purchase of materials for production and production-related services (e.g., installations); while payments in advance are usually agreed for consulting or other types of services not related to production. The above sample, analysed in 2024, paid approximately 73,6% of purchases within 60 days, which is the average contractual payment term agreed with suppliers at Group level.

Other mandatory information

[IRO-2]: Disclosure Requirements in ESRS covered by the undertaking's sustainability statement and list of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Location in the Sustainability Reporting
ESRS 2					
ESRS 2 BP-1 General basis for preparation of sustainability statements			-		[BP-1]: General basis for preparation of Sustainability Report
ESRS 2 BP-2 Disclosures in relation to specific circumstances			-		[BP-2]: Disclosures in relation to specific circumstances
ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies			-		[GOV-1]: The role of the administrative, management and supervisory bodies of Piovan S.p.A.
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (27) , Annex II		[GOV-1]: The role of the administrative, management and supervisory bodies of Piovan S.p.A.
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		[GOV-1]: The role of the administrative, management and supervisory bodies of Piovan S.p.A.
ESRS 2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies					[GOV-2]: Functioning of the BoD and Committees overseeing Sustainability matters
ESRS 2 GOV-3: Integration of sustainability-related performance in incentive schemes					[GOV-3]: Integration of sustainability-related performance in incentive schemes
ESRS 2 GOV-4: Statement on due diligence					[GOV-4]: Statement on due diligence
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				[GOV-4]: Statement on due diligence
ESRS 2 GOV-5: Risk management and internal controls over sustainability reporting					[GOV-5]: Risk management and internal controls over sustainability reporting
ESRS 2 SBM-1: Strategy, business model and value chain					[SBM-1]: Strategy, business model and value chain
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (28) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29) , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS 2 SBM-2:Interests and views of stakeholders					[SBM-2]: Interests and views of stakeholders
ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model					[SBM-3]: Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS 2 IRO 1: Description of the processes to identify and assess material impacts, risks and opportunities					[IRO-1]: Description of the processes to identify and assess material impacts, risks and opportunities
ESRS 2 IRO 2: Disclosure requirements in ESRS covered by the undertaking's sustainability statement					[IRO-2]: Disclosure requirements in ESRS covered by the undertaking's sustainability statement
ESRS E1 - Climate Change					
ESRS 2 GOV 3: Integration of sustainability-related performance in incentive schemes					E 1 - [ESRS 2 GOV-3]: Integration of sustainability-related performance in incentive schemes
ESRS E1-1: Transition plan for climate change mitigation					[E1-1]: Transition plan for climate change mitigation
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	The Group will adopt a Plan by 2026
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		The Group will adopt a Plan by 2026

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Location in the Sustainability Reporting
		Change transition risk: Credit quality of exposures by sector, emissions and residual maturity			
ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model					E 1 - [ESRS 2 SBM-3]: Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS 2 IRO 1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities					E 1- [ESRS 2 IRO-1]: Identification of physical and transitional risks related to climate change
ESRS E1-2: Policies related to climate change mitigation and adaptation					[E1-2]: Policies related to climate change mitigation and adaptation
ESRS E1-3: Actions and resources in relation to climate change policies					[E1-3]: Actions and resources in relation to climate change policies
ESRS E1-4: Targets related to climate change mitigation and adaptation					[E1-4]: Targets related to climate change mitigation and adaptation
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		[E1-4]: Targets related to climate change mitigation and adaptation
ESRS E1-5: Energy consumption and mix					[E1-5]: Energy consumption and mix
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				[E1-5]: Energy consumption and mix
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				[E1-5]: Energy consumption and mix
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				[E1-5]: Energy consumption and mix
ESRS E1-6: Emissioni lorde di Scope 1, 2, 3 ed emissioni totali di GHG					[E1-6]: Gross Scopes 1, 2, 3 and total GHG emissions
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		[E1-6]: Gross Scopes 1, 2, 3 and total GHG emissions
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		[E1-6]: Gross Scopes 1, 2, 3 and total GHG emissions
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not Applicable
ESRS E1-8 Internal carbon pricing					Not Applicable
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		For the fiscal year 2024, which corresponds to the first year of preparation of the Sustainability Report in accordance with the ESRS, the Piovan Group decided to make use of the *phase-in* option in relation to the disclosure of the expected financial effects of material physical and transition risks.
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		
ESRS E2 - Pollution					
ESRS 2 IRO 1: Description of the processes to identify and assess material pollution-related impacts, risks and opportunities					E -2 [ESRS 2 IRO-1]: Impacts, risks and opportunities
ESRS E2-1: Policies related to pollution					[E2-1] Policies related to pollution
ESRS E2-2: Actions and resources related to pollution					[E2-2] Actions and resources related to pollution
ESRS E2-3: Targets related to pollution					[E2-3] Targets related to pollution
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not Material

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Location in the Sustainability Reporting
ESRS E2-5: Substances of concern and substances of very high concern					Not Material
ESRS E2-6 Anticipated financial effects from pollution-related impacts, risks and opportunities					For the fiscal year 2024, which corresponds to the first year of preparation of the Sustainability Report in accordance with the ESRS, the Piovan Group decided to make use of the *phase-in* option
ESRS E3 - Water and marine resources					
ESRS 2 IRO 1: Description of the processes to identify and assess material pollution-related impacts, risks and opportunities					Not material as it was found to be not material by the 2024 double materiality analysis.
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				
ESRS E3-2 Actions and resources related to water and marine resources					
ESRS E3-3 Targets related to water and marine resources					
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				
ESRS E3-5 Anticipated financial effects from water and marine resources-related impacts, risks and opportunities					
ESRS E4 - Biodiversity and Ecosystems					
ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model					Not Applicable
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				
ESRS E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model					
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				
ESRS E4-3 Actions and resources related to biodiversity and ecosystems					
ESRS E4-4 Targets related to biodiversity and ecosystems					
E4-5 - Impact metrics related to biodiversity and ecosystems change					
E4-6 - Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities					
ESRS E5 - Resource use and circular economy					
ESRS 2 IRO 1: Description of the processes to identify and assess material pollution-related impacts, risks and opportunities					E-5 [ESRS 2 IRO-1]: Impacts, risks and opportunities
ESRS E5-1 Policies related to resource use and circular economy					[E5-1] Policies related to resource use and circular economy
ESRS E5-2: Actions and resources related to resource use and circular economy					[E5-2] Actions and resources related to resource use and circular economy
ESRS E5-3: Targets related to resource use and circular economy					[E5-3] Targets related to resource use and circular economy
ESRS E5-4: Resource inflows					[E5-4] Resource inflows
ESRS E5-5: Resource outflows					[E5-5] Resource outflows
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not Material

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Location in the Sustainability Reporting
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not Material
ESRS E5-6 Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities					For the fiscal year 2024, which corresponds to the first year of preparation of the Sustainability Report in accordance with the ESRS, the Piovan Group decided to make use of the *phase-in* option
ESRS S1 - Own Workforce					
ESRS 2 SBM-2:Interests and views of stakeholders					ESRS S1 -Information on own workforce - [ESRS 2 SBM-2]: Interests and views of stakeholders
ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model					ESRS S1 -Information on own workforce - [ESRS 2 SBM-3]: Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS S1-1 Policies related to own workforce					[S1-1]: Policies related to own workforce
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				ESRS S 1: Working conditions, Equal opportunities and diversity management in the company, Work-life balance [S1-1]: Policies related to own workforce
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				
ESRS S1-1: Policies related to own workforce					
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Occupational health and safety - [S1-1]: Policies related to own workforce
ESRS S1-2:Processes for engaging with own workers and workers' representatives about impacts					Working conditions, Equal opportunities and diversity management in the company, Work-life balance - Training and skills development - Occupational health and safety - [S1-2]: Processes for engaging with own workers and workers' representatives about impacts
ESRS S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns					Working conditions, Equal opportunities and diversity management in the company, Work-life balance [S1-3]: Processes to remediate negative impacts and channels for own workers to raise concerns
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				
ESRS S1-4: Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions					Working conditions, Equal opportunities and diversity management in the company, Work-life balance - Training and skills development - Occupational health and safety [S1-4]: Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
ESRS S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities					Working conditions, Equal opportunities and diversity management in the company, Work-life balance - Training and skills development - Occupational health and safety [S1-5]: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
ESRS S1-6: Characteristics of the undertaking's employees					[S1-6]: Characteristics of the undertaking's employees
ESRS S1-7: Characteristics of non-employee workers in the undertaking's own workforce					[S1-7]: Characteristics of non-employee workers in the undertaking's own workforce
ESRS S1-8: Collective bargaining coverage and social dialogue					[S1-8]: Collective bargaining coverage and social dialogue
ESRS S1-9: Diversity metrics					[S1-9]: Diversity metrics
ESRS S1-10: Adequate wages					[S1-10]: Adequate wages
ESRS S1-11 Social protection					[S1-6]: Characteristics of the undertaking's employees
ESRS S1-12 Persons with disabilities					[S1-6]: Characteristics of the undertaking's employees
ESRS S1-13: Training and skills development metrics					[S 1-13]: Training and skills development metrics
ESRS S1-14: Health and safety metrics					[S 1-14]: Health and safety metrics. The Group has decided to make use the *phase-in* option for the disclosure of information relating to non-employee workers.
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				
ESRS S1-15 Work-life balance metrics					[S1-15]: Work-life balance metrics
ESRS S1-16: Compensation metrics (pay gap and total compensation)					[S1-16]: Compensation metrics (pay gap and total compensation)
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Location in the Sustainability Reporting
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				[S1-6]: Characteristics of the undertaking's employees
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		
ESRS S2 - Workers in the value chain					
ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model					S-2 [ESRS 2 SBM-3]: Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				
ESRS S2-1: Policies related to value chain workers					[S2-1]: Policies related to value chain workers
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S2-2: Processes for engaging with value chain workers about impacts					[S2-2]: Processes for engaging with value chain workers about impacts
ESRS S2-3: Processes to remediate negative impacts and channels for value chain workers to raise concerns					[S2-3]: Processes to remediate negative impacts and channels for value chain workers to raise concerns
ESRS S2-4: Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action					[S2-4]: Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				
ESRS S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities					[S2-5]: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
ESRS S3 - Affected Comunities					
ESRS 2 SBM-2:Interests and views of stakeholders					Not material as it was found to be not material by the 2024 double materiality analysis.
ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model					
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		
ESRS S3-2: Processes for engaging with affected communities about impacts					
ESRS S3-3: Processes to remediate negative impacts and channels for affected communities to raise concerns					
ESRS S3-4: Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions					
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				
ESRS S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities					
ESRS S4 - Consumers and end-users					
ESRS 2 SBM-2:Interests and views of stakeholders					ESRS 2 - [SBM-2]: Interests and views of stakeholders

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Location in the Sustainability Reporting
ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model					E-4 [ESRS 2 SBM-3]: Impacts, risks and opportunities and their interaction with strategy and business model
ESRS S4-1: Policies related to consumers and end-users					[S4-1]: Policies related to consumers and end-users
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		
ESRS S4-2: Processes for engaging with consumers and end-users about impacts					[S4-2 / S4-3]: Processes for engaging with consumers and end-users about impacts and to raise concerns
ESRS S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns					
ESRS S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions					[S4-4]: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				
ESRS S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities					[S4-5]: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
ESRS G1 - Business Conduct					
ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies					ESRS 2 - [GOV-1]: The role of the administrative, management and supervisory bodies of Piovan S.p.A.
ESRS 2 IRO 1: Description of the processes to identify and assess material impacts, risks and opportunities					G 1 -[ESRS 2 - IRO-1]: Impacts, risks and opportunities
ESRS G1-1 Corporate culture and Business conduct policies and corporate culture					[G1-1]: Corporate culture and business conduct policies
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				
ESRS G1-2 Management of relationships with suppliers					[G1-2]: Management of relationships with suppliers
ESRS G1-3 Prevention and detection of corruption and bribery					[G1-3]: Prevention and detection of corruption and bribery
ESRS G1-4 Confirmed incidents of corruption or bribery					[G1-4]: Confirmed incidents of corruption or bribery
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				
ESRS G1-5 Political influence and lobbying activities					Not Material
ESRS G1-6 Payment practices					[G1-6]: Payment practices

Declaration of the Corporate Sustainability Report

Attestation of sustainability reporting pursuant to article 81-ter, paragraph 1, of consob regulation no. 11971 of may 14, 1999, and subsequent amendments and integrations

Santa Maria di Sala, March 20, 2025

The undersigned, Filippo Zuppichin, Chief Executive Officer and Giovanni Rigodanza, as the executive officer responsible for the preparation of Piovan S.p.A.'s financial statements, certify, pursuant to the provisions of Article 154-bis, paragraph 5-ter, of Legislative Decree no. 58 of 24 February 1998, that the sustainability statement included in the Board of Directors' Report has been prepared:

a) in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and Council of 26 June 2013, and Legislative Decree no. 125 of 6 September 2024;
b) with the specifications adopted pursuant to Article 8, paragraph 4, of Regulation (EU) 2020/852 of the European Parliament and Council of 18 June 2020.

Chief Executive Officer

Filippo Zuppichin

The Executive Officer responsible for the preparation of Piovan S.p.A.

Giovanni Rigodanza

Independent auditors' report of the corporate sustainability report

Deloitte & Touche S.p.A.
Via Fratelli Bandiera, 3
31100 Treviso
Italia

Tel: +39 0422 5875
Fax: +39 0422 587812
www.deloitte.it

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED SUSTAINABILITY STATEMENT PURSUANT TO ARTICLE 14-BIS OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
Piovan S.p.A.

Conclusion

Pursuant to artt. 8 and 18, paragraph 1 of Legislative Decree no. 125 of September 6, 2024 (hereinafter also the "Decree"), we have carried out a limited assurance engagement on the consolidated sustainability statement of the Piovan S.p.A. and its subsidiaries (hereinafter also "Piovan Group" or"Group") for the year ended on December 31, 2024, prepared pursuant to Art. 4 of the Decree, included in the specific section of the management report.

Based on the work performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability statement of Piovan Group for the year ended on December 31, 2024 is not prepared, in all material respects, in accordance with the reporting principles adopted by the European Commission pursuant to the Directive (EU) 2013/34/EU (European Sustainability Reporting Standards, hereinafter also "ESRS");

- the information included in paragraph "EU Taxonomy"of the consolidated sustainability statement is not prepared, in all material respects, in accordance with art. 8 of Regulation (EU) No. 852 of June 18, 2020 (hereinafter also the "Taxonomy Regulation").

Basis for conclusion

We conducted the limited assurance engagement in accordance with the assurance standard of the sustainability report - "*Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia)*". The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained had we performed a reasonable assurance engagement.
Our responsibilities pursuant to that standard are further described in the paragraph *Auditor's responsibilities for the limited assurance of the consolidated sustainability statement* of this report.

We are independent in accordance with the independence and other ethical requirements applicable under Italian law to the limited assurance engagement of the consolidated sustainability statement.

Our firm applies International Standard on Quality Management (ISQM Italia) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

The comparative information for the year ended on December 31, 2023 presented in the consolidated sustainability statement has not been verified.

Responsibility of the Directors and the Board of Statutory Auditors of Piovan S.p.A. for the consolidated sustainability statement

The Directors are responsible for developing and implementing the procedures performed to identify the information reported in the consolidated sustainability statement in accordance with the ESRS (hereinafter the “double materiality assessment process”) and for disclosing this process in the paragraph “[IRO-1]: Description of the processes to identify and assess material impacts, risks and opportunities” of the consolidated sustainability statement.

The Directors are also responsible for the preparation of the consolidated sustainability statement, which includes the information identified as part of the double materiality assessment process, in accordance with the requirements of Art. 4 of the Decree, including:

- compliance with ESRS;
- compliance of the information included in the paragraph “EU Taxonomy” with art. 8 of the Taxonomy Regulation.

Such responsibility involves designing, implementing and maintaining, within the terms established by the law, such internal control that the Directors determine necessary to enable the preparation of the consolidated sustainability statement in accordance with the requirements of the art. 4 of the Decree that is free from material misstatements, whether due to fraud or error. Furthermore, the abovementioned responsibility involves the selection and application of appropriate methods in elaborating information and making assumptions and estimates about specific sustainability information that are reasonable in the circumstances.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Inherent limitations in the preparation of the consolidated sustainability statement

In reporting forward-looking information in accordance with ESRS, the Directors are required to prepare the forward-looking information on the basis of assumptions, as described in the consolidated sustainability statement, regarding events that may occur in the future and possible future actions of the Group. Due to the inherent uncertainty regarding any future event, including whether these events will take place and their extent and timing, the variances between actual outcomes and forward-looking information could be significant.

The information provided by the Group regarding Scope 3 emissions is subject to greater inherent limitations compared to those related to Scope 1 and 2 emissions. This is due to the lower availability and relative accuracy of the data used to define the information on Scope 3 emissions, both quantitative and qualitative, in relation to the value chain.

Auditor's responsibilities for the limited assurance of the consolidated sustainability statement

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability statement is free from material misstatements, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, could influence the decisions of users taken on the basis of consolidated sustainability statement.

As part of the limited assurance engagement in accordance with the *Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia)*, we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify and assess the disclosure where a material misstatement is likely to arise, either due to fraud or error;

- designing and performing procedures to verify disclosures in the sustainability statement where material misstatements are likely to arise. The risk of not detecting a material misstatement due to fraud is higher than the risk of not identifying a material misstatement due to error, as fraud may involve collusion, falsifications, intentional omissions, misrepresentations, or the override of internal control;

- the direction, supervision and performance of the limited assurance engagement of the consolidated sustainability statement. We remain solely responsible for the conclusion on the consolidated sustainability statement.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence as the basis for expressing our conclusion.

The procedures performed on the consolidated sustainability statement are based on our professional judgement and included inquiries, primarily with the personnel of the Group responsible for the preparation of information included in the consolidated sustainability statement, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we performed the following main procedures partly in a preliminary phase before year end and then in a final phase up to the the date of issuance of this report:

- understanding the business model, the Group's strategies and the context in which the Group operates with reference to sustainability matters;

- understanding the processes underlying the generation, collection, and management of qualitative and quantitative information included in the consolidated sustainability statement, including an analysis of the reporting perimeter;

- understanding the process carried out by the Group for the identification and evaluation of material impacts, risks and opportunities, based on the principle of double materiality, with reference to sustainability matters;

- identification of the information where a risk of material misstatement is likely to arise, taking into considerations, among others, risk factors related to the generation and collection of the information, to the existence of estimates and to the complexity of the relevant calculation methods, as well as qualitative and quantitative factors related to the nature of such information;

- design and performance of procedures, based on the professional judgment of the auditor of the consolidated sustainability report, to respond to identified risks of material misstatement, also with the support of Deloitte network specialists, in particular with reference to specific environmental information;

- understanding of the process set up by the Group to identify eligible economic activities and determine their aligned nature according to the requirements of the Taxonomy Regulation, and verifying the related information included in the consolidated sustainability statement;

- comparison of the information reported in the consolidated sustainability statement with the information included in the consolidated financial statements pursuant to the applicable financial reporting framework, or with the accounting data used for the preparation of the financial statements, or with the management data having an accounting nature;

- verification of the structure and presentation of the information included in the consolidated sustainability statement in accordance with ESRS, including the information related to the materiality assessment process;

- obtaining the representation letter.

DELOITTE & TOUCHE S.p.A.

Signed by
Barbara Moscardi
Partner

Treviso, Italy
March 28, 2025

This independent auditor's report has been translated into the English language solely for the convenience of international readers.
Accordingly, only the original text in Italian language is authoritative.

CONSOLIDATED FINANCIAL STATEMENTS OF THE PIOVAN GROUP

Consolidated Financial Statements

Consolidated statement of financial position

(€/000)

ASSETS	Notes	31.12.2024	*of which related parties*	31.12.2023	*of which related parties*
			"Other information"		*"Other information"*
NON-CURRENT ASSETS					
Property, plant and equipment	**Note 1**	64,320	*133*	50,887	-
Right of Use	**Note 2**	16,511	-	16,715	*168*
Intangible assets	**Note 3**	146,553	-	120,315	-
Equity investments	**Note 4**	1,530	-	11,426	-
Other non-current assets	**Note 5**	617	-	570	-
Deferred tax assets	**Note 6**	13,542	-	11,913	-
TOTAL NON-CURRENT ASSETS		**243,073**		**211,826**	
CURRENT ASSETS					
Inventories	**Note 7**	88,425	-	85,341	-
Contract assets for work in progress	**Note 8**	16,392	-	8,828	-
Trade receivables	**Note 9**	79,974	*2*	79,979	*199*
Current financial assets	**Note 10**	108	-	6,556	-
Tax receivables	**Note 11**	9,121	-	6,267	-
Other current assets	**Note 12**	11,866	*9*	13,163	*11*
Cash and cash equivalents	**Note 13**	82,660	-	92,785	-
TOTAL CURRENT ASSETS		**288,546**		**292,919**	
TOTAL ASSETS		**531,619**		**504,745**	

LIABILITIES AND EQUITY	Notes	31.12.2024	of which related parties	31.12.2023	of which related parties
			"Other information"		*"Other information"*
EQUITY					
Share capital	**Note 14**	6,000	-	6,000	-
Legal reserve	**Note 14**	1,200	-	1,200	-
Reserve for own shares in portfolio	**Note 14**	(3,012)	-	(2,489)	-
Translation reserve	**Note 14**	6,730	-	14	-
Other Reserves and retained earnings	**Note 14**	126,820	-	114,612	-
Net profit (loss)	**Note 14**	44,512	-	49,400	-
Equity attributable to the owners of the parent		**182,250**		**168,737**	
Equity attributable to non-controlling interests	**Note 15**	21,653	-	2,600	-
TOTAL EQUITY		**203,903**		**171,337**	
NON-CURRENT LIABILITIES					
Long-term loans	**Note 17**	62,376	-	79,624	-
Non-current financial liabilities	**Note 17**	13,890	-	14,497	*118*
Employee benefits plans	**Note 18**	5,619	-	5,635	-
Provision for risks and charges	**Note 19**	8,233	-	5,486	-
Non-current liabilities for options granted to non-controlling interest	**Note 20**	26,974	-	-	-
Other non-current liabilities	**Note 21**	898	-	2,500	*364*
Deferred tax liabilities	**Note 6**	15,781	-	12,822	-
TOTAL NON-CURRENT LIABILITIES		**133,771**		**120,564**	
CURRENT LIABILITIES					
Current portion of long-term loans	**Note 17**	32,462	-	36,567	-
Current bank loans and borrowings	**Note 17**	1,342	-	666	-
Current financial liabilities	**Note 17**	4,195	-	23,240	*61*
Trade payables	**Note 22**	75,059	*557*	71,668	*608*
Advance from customers	**Note 23**	37,220	-	37,445	-
Contract liabilities for work in progress	**Note 8**	3,136	-	4,748	-
Current liabilities for options granted to non-controlling interests	**Note 20**	-	-	-	-
Tax liabilities and social security contributions	**Note 24**	12,038	-	11,388	-
Other current liabilities	**Note 25**	28,493	*890*	27,122	*1,127*
TOTAL CURRENT LIABILITIES		**193,945**		**212,844**	
TOTAL LIABILITIES		**327,716**		**333,408**	
TOTAL LIABILITIES AND EQUITY		**531,619**		**504,745**	

Consolidated statement of profit and loss

(€/000)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS	Notes	31.12.2024	*of which related parties*	31.12.2023	*of which related parties*
			Other information		*Other information*
Revenues	**Note 26**	561,826	*35*	559,099	*1,120*
Other revenues and income	**Note 27**	9,939	*5*	11,422	-
TOTAL REVENUES AND OTHER INCOME		**571,765**		**570,521**	
Costs of raw materials, components and goods and changes in inventories	**Note 28**	245,583	*2,579*	248,653	*2,993*
Services	**Note 29**	107,368	*1,477*	108,067	*1,454*
Personnel expenses	**Note 30**	139,607	*3,161*	130,568	*1,593*
Other expenses	**Note 31**	5,543		4,818	
Amortisation and depreciation	**Note 32**	15,232	*67*	13,760	*75*
TOTAL COSTS		**513,333**		**505,866**	
OPERATING PROFIT		**58,432**		**64,655**	
Financial income	**Note 33**	2,596		1,797	
Financial Expenses	**Note 33**	(3,618)	*(6)*	(3,328)	*(8)*
Net exchange rate gain (losses)	**Note 34**	579		(1,214)	
Gains (losses) on liabilities for option granted to non-controlling interests	**Note 35**	(800)		481	
Profit (losses) from equity investments carried at equity	**Note 36**	6,983		1,171	
Profit (losses) from disposals of assets held for sale	**Note 37**	83		1,337	
PROFIT BEFORE TAXES		**64,255**		**64,899**	
Income taxes	**Note 38**	17,921		15,989	
NET PROFIT		**46,334**		**48,910**	
ATTRIBUTABLE TO:					
Owners of the parent		44,512		49,400	
Non-controlling interests		1,822		(490)	
Earnings per share					
Basic earnings per share (in Euros)	**Note 16**	**0.87**		**0.97**	
Diluted earnings per share (in Euros)	**Note 16**	**0.86**		**0.96**	

Consolidated statement of comprehensive income

(€/000)

Consolidated Statement of comprhensive income	31.12.2024	31.12.2023
Net profit	**46,334**	**48,910**
Items that may be subsequently reclassified to profit or loss:		
- Exchange rate differences	6,774	(3,516)
Other items valued using the equity method	0	(422)
Items that may not be subsequently reclassified to profit or loss:		
- Actuarial gains (losses) on employee benefits net of the tax effect	112	(189)
- Actuarial gains on agents' termination benefits net of the tax effect	3	(3)
Total Comprehensive income	**53,223**	**44,780**
attributable to:		
- Owners of the parent	51,401	45,278
- Non-controlling interests	1,822	(498)

Consolidated statement of cash flows

(€/000)

Consolidated Statement of Cash Flow	31.12.2024	of which related parties	31.12.2023	of which related parties
		Other information		Other information
OPERATING ACTIVITES				
Net profit	***46,334***		***48,910***	
Adjustments for:				
Amortisation and depreciation	15,232		13,760	
Provision	3,629		2,840	
Net non-monetary financial (income)	2,506		3,164	
Change in employee benefits liabilities	40		164	
(Plus) or minus from disposal of fixed assets and investments	-		427	
Unrealized currency exchange rate (gains) losses	(329)		1,562	
Non-monetary changes related to liabilities for options granted to non-controlling interests	800		(481)	
Investment equity valuation	(6,982)		(1,171)	
Other non-monetary variations	6,396		1,851	
Taxes	17,921		15,989	
Cash flows from operating activities before changes in net working capital	**85,547**		**87,015**	
(Increase)/decrease in trade receivables	280	197	7,200	(94)
(Increase)/decrease in inventories	761		1,011	
(Increase)/decrease in conctract assets and liabilities for work in progress	(8,697)		(4,795)	
(Increase)/decrease in other current assets	268	2	(2,005)	334
Increase/(decrease) in trade payables	1,595	(51)	(4,176)	(154)
Increase/(decrease) in advance from customers	(1,827)		(11,873)	
Increase/(decrease) in other current liabilities	(2,904)	(601)	875	345
(Increase)/decrease in non-current assets	-		-	
Increase/(decrease) in non-current liabilities	-	-	-	-
Income taxes paid	(18,505)		(17,772)	
CASH FLOWS FROM OPERATING ACTIVITIES (A)	**56,518**		**55,480**	
INVESTING ACTIVITIES				
Investments in property, plant and equipment	(12,838)		(8,414)	
Disinvestments in property, plant and equipment	-		350	
Investments in intangible assets	(1,054)		(1,307)	
Disinvestments in intangible assets	-		99	
Disinvestments/(investments) in financial assets	6,556		0	
Deferred price from the acquisition of controlling interest	-		-	
Business combinations net of the acquired cash	3,465		-	
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	**(3,871)**		**(9,272)**	
FINANCING ACTIVITIES				
Issuance of bank loans	15,937		10,000	
Repayment of bank loans	(37,655)		(33,926)	
Change in current bank loans and borrowings	676		(6,335)	
Interests paid	(2,434)		(3,213)	
Increase/(decrease) in other financial liabilities	(25,016)	(179)	(3,887)	(63)
Dividends paid	(14,334)		(10,206)	
CASH FLOWS USED IN FINANCING ACTIVITIES (C)	**(62,826)**		**(47,567)**	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	**(10,179)**		**(1,359)**	
EFFECT OF EXCHANGE RATE CHANGES ON BALANCE OF CASH HELD IN FOREIGN CURRENCY	**54**		**(221)**	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (G=D+E+F)	**92,785**		**94,365**	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (G=D+E+F)	**82,660**		**92,785**	

Consolidated statement of changes in Shareholders' Equity

(€/000)

	Share Capital	Legal reserve	Treasury shares	Translation reserve	Other reserves and retained earnings	Profit for the year attributable to the owner of the parent	Equity attributable to the owners of the parent	Equity attributable to non-controlling interests	TOTAL EQUITY
Balance at Jan, 1st, 2023	**6,000**	**1,200**	**(2,208)**	**3,952**	**89,579**	**34,588**	**133,111**	**1,819**	**134,930**
Allocation of prior year profit					34,588	(34,588)	-	-	-
Distribution of dividends					(10,206)		(10,206)	-	(10,206)
Incentive plans			(360)		567		208	-	208
Treasury shares			79		268		346	-	346
Non-controlling interest change	-	-	-	-	-	-	-	1,279	1,279
Total comprehensive income				(3,938)	(184)	49,400	45,278	(498)	44,780
Balance at December 31st, 2023	**6,000**	**1,200**	**(2,489)**	**14**	**114,612**	**49,400**	**168,736**	**2,600**	**171,337**

	Share Capital	Legal reserve	Treasury shares	Translation reserve	Other reserves and retained earnings	Profit for the year attributable to the owner of the parent	Equity attributable to the owners of the parent	Equity attributable to non-controlling interests	TOTAL EQUITY
Balance at Jan, 1st, 2024	6,000	1,200	(2,489)	14	114,612	49,400	168,736	2,600	171,337
Allocation of prior year profit					49,400	(49,400)	-		-
Distribution of dividends					(13,804)		(13,804)	(531)	(14,335)
Incentive plans			-		4,049		4,049		4,049
Purchase of treasury shares			(523)		(264)		(787)		(787)
Put Options					(26,174)		(26,174)		(26,174)
Disposals					(1,114)		(1,114)	17,704	16,590
Total comprehensive income				6,774	115	44,512	**51,401**	1,822	53,223
Translation reserve non-controlling interest allocation				(58)	-		**(58)**	58	-
Balance at December 31st, 2024	**6,000**	**1,200**	**(3,012)**	**6,730**	**126,820**	**44,512**	**182,249**	**21,653**	**203,903**

Notes to the Consolidated Financial Statements

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

The 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.

At December 31, 2024, of the Company's total share capital, in the amount of Euro 6,000,000, 58.35% was held by Pentafin S.p.A., while the remainder was distributed among private shareholders and in treasury shares.

The Company is the operative holding company of a group of companies engaged, in Italy and internationally (the "Group" or the "Piovan Group"), in production processes for the storage, transport and treatment of polymers, recycled plastics and bio-resins ("Technical Polymers"), automation systems for the storage and transport of food fluids and food and non-food powders ("Food Systems & Industrial Applications") and technical assistance and marketing of spare parts and services ("Services"). The Group is a global leader in the Technical Polymers market in the design and production of plants and control systems for the automation of all phases of the polymers, recycled plastics and bio-resins production cycle. In particular, over recent years the Group has been particularly engaged in developing and producing systems to automate production processes for the circular economy for recycling and reusing plastic and for the production of plastics which are naturally compostable.

The technical solutions proposed by the Group, which permit the automation and streamlining of all the production and transformation process phases, include, for both the Technical Polymers and the Food & Industrial Applications 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 December 31, 2024 was comprised of 43 companies located on 4 continents, of which 13 production companies, with 14 production facilities and 30 commercial and service companies.

Declaration and basis of preparation of the consolidated financial statements

The consolidated financial statements of the Piovan Group at December 31, 2024, 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.

IFRS includes all IFRS's, all of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC IC) previously called the Standing Interpretations Committee (SIC) approved by the European Union at the reporting date of the financial statements and contained in the relative EU Regulations published at that date.

The IFRS consolidated financial statements at December 31, 2024, include the results of the parent company and of the subsidiaries. Please note that the 2024 operating figures include the results of NuVu for 11 months, as the acquisition was finalized at the end of January 2024.

They consist of 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 shareholders' equity, the consolidated statement of cash flow and these explanatory notes. The financial statements have been prepared on the basis of the historical cost convention, with the exception of requirements of IFRS 9 - "Financial Instruments", and 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 "functional" and "presentation" currency of the Piovan Group, as defined by IAS 21, is the Euro.

These 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 consolidated financial statements are prepared in accordance with Delegated Regulation (EU) 2019/815 of the European Commission.

The Board of Directors of Piovan S.p.A. approved these consolidated financial statements on March 20, 2025.

Global conflicts

In early 2022, the outbreak of the war between Russia and Ukraine, and subsequently in Autumn 2023 of the Israel-Palestine conflict, marked the start of a period of major global instability, both politically and economically. This climate, which continues to evolve, makes the assessments of the impact of future scenarios on the Group's business and performance particularly complex.

The conflicts are continuing to fuel major international humanitarian and social crises and are having major repercussions on the populations of these nations. Due to the international sanctions being used as a deterrent for some of the countries involved, and the tensions in China-USA relations, we are also seeing a significant impact on trade and on their economies, which is exacerbating the already present supply-chain issues.

The situation is constantly developing and the Company - also with the support of external consultants - is monitoring the situation and the international rules closely to assess any impact of the conflict on its operations. In fact, following the enactment of the eleventh EU sanctions package against Russia at the end of June 2023, the Group will no longer be able to operate in Russia. The Group does not have exposure to Russia, Belarus or Ukraine.

2023 also saw the reignition of strong tensions in the Middle East, where the Group operates albeit with very limited exposure. The situation is also evolving and is constantly being monitored in order to assess any direct and indirect impacts.
At December 31, 2024, the order backlog was slightly lower than the previous year.

With all of this in mind, the indirect consequences of the ongoing Russia-Ukraine conflict and their effects on the global economy may indicate that one or more impairment indicators exist. For the Annual Financial Report, management therefore made assessments in this regard. Based on the outcome of those assessments, with regards to the Group overall, management did not identify indicators of impairment, taking account of the fact that: (i) the company's capitalization at December 31, 2024, remains comfortably above consolidated shareholders' equity at the same date; (ii) the order portfolio remains at good levels, in line with the Group's usual volumes; (iii) the net financial position, which has improved significantly from the previous year, was not impacted by the altered macroeconomic landscape, taking account of the fact that existing financing is at fixed interest rates; and (iv) operating performance in 2024 was very strong, both in terms of revenues and margins.
Furthermore, impairment testing has been conducted for the cash generating units (CGUs) to which goodwill has been allocated (see Note 2), in accordance with applicable financial reporting standards.

Form and content of the consolidated financial statements

Financial statements

Consolidated statement of financial position

The statement of financial position adopted the separation of assets and liabilities between current and non-current, as indicated in paragraph 60 and thereafter of IAS 1.
The assets and liabilities are classified as current when they satisfy the following criteria:

- Assets/liabilities for which it is expected the sale or the utilization in the normal operating cycle, or
- Assets/liabilities principally held-for-trading, or
- Assets/liabilities that are expected to be realized within twelve months of the reporting date.

Where none of these conditions apply, the assets/liabilities are classified as non-current.

Consolidated statement of profit and loss

The company has chosen to present the income statement adopting the classification by “nature of expense” as this is the most representative of the operations during the year and of its business structure. This structure is in line with the internal management reporting procedures and international best practice for the sector.

Consolidated statement of comprehensive income

With the adoption of IAS 1 Revised the company decided to present the statement of comprehensive income in a separate statement. The “statement of comprehensive income”, prepared in accordance with international accounting standards, shows the revenue and cost items which are not recorded in the statement of profit and loss but recorded directly to equity.

Consolidated statement of cash flows

The statement of cash flow is presented using the indirect method. The cash and cash equivalents included in the statement of cash flow include the statement of financial position captions at the reporting date. Interest income and expense, dividends received and income taxes are included in the cash flow generated from operating activities with the exception of interest matured on securities available-for-sale, included in financial cash flows generated from financial management. The cash flow deriving from operating activities, investment activities, the change in the non-current financial position and short-term payables as well as current financial assets are shown separately. Where not specified, the exchange gains and losses are classified under operating activities as these refer to the translation into Euro of trade receivables and payables.

Statement of changes in consolidated shareholders’ equity

The statement of changes in shareholders’ equity illustrates the changes to the shareholders’ equity accounts with regard to:

- allocation of the Company’s profit for the year;
- amounts relating to transactions with shareholders (payment of dividends, purchase and sale of own shares, contributions received);
- each profit and loss account, net of any tax effects which, as required by IFRS is either directly recorded in equity (gains or losses on the purchase or sale of treasury shares) or is recorded in an equity reserve (share-based payments in relation to stock-option plans);
- movements in the cash flow hedge reserve, net of any tax effect;
- the effect deriving from changes in accounting standards.

Consolidation principles and basis

The consolidated financial statements include the financial statements at December 31, 2024, using the line-by-line consolidation approach, of Piovan S.p.A. and all the Italian and foreign companies in which the Parent Company directly or indirectly holds a controlling interest.
The company decided not to proceed with the line-by-line consolidation of CMG America Inc., held 100% indirectly through Universal Dynamic Inc., as considered immaterial both individually and collectively and as their recognition would not have any significant effect for the purposes of the correct representation of the statement of financial position, statement of profit and loss and financial position of the Group.
Subsidiaries are those entities in which the Group exercises control, as defined by IFRS 10 - “Consolidated financial statements”. Control exists when the Group has the power, directly or indirectly, to determine the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are consolidated from the date in which control occurs until the moment in which such control terminates and with reference to associated companies, from the date in which the significant influence is acquired until the date such influence ceases to exists.
All the subsidiaries consolidated on a line-by-line basis end their financial year on December 31, with the exception of Piovan India Private Limited and NuVu Conair Private Ltd. (“NuVu”) whose financial year closed on March 31. However, for the purposes of the preparation of the consolidated financial statements, the Indian subsidiary prepares a set of financial information in line with the financial year of the consolidating company.
Associated companies are measured under the equity method.
Other information in the Explanatory Notes outlines the companies included in the consolidation scope at December 31, 2024. Compared to December 31, 2023, we report the following transactions and related effects on the consolidated financial statements:

- Purchase of an additional 1% stake in NuVu, reaching 51% and consequently gaining control over the company, as further explained below.

- The Group increased its stake in FEA Ptp. to 100%. This transaction did not have any effect on the consolidated financial statements, except for the change in equity attributable to non-controlling interests and the owners of the parent.
- in December 2024, the Group established a new commercial branch in Colombia, Piovan Colombia, to be able to serve local clients in that country more directly.
- In December 2024, Piovan S.p.A. sold its 100% stake in Energys S.r.l., resulting in a loss of control.

The financial statements used for the consolidation have been reclassified and standardized in line with the Group's accounting policies and with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) currently in effect.

The financial statements used were presented in their functional currency, i.e. their local or other currency in which most of the transactions are conducted and in which the assets and liabilities are measured. Financial statements presented in a currency other than the Euro have been converted into Euro at the exchange rate in effect at the end of the year for the statement of financial position and statement of cash flow items and at the average exchange rate for the year for the statement of profit and loss items, as these rates provide a reasonable approximation of the spot rates. Differences resulting from the conversion of opening equity at year-end exchange rates and those resulting from the conversion of statement of financial position accounts at spot rates and of statement of profit and loss items at average rates for the period are recognized in the translation reserve.

In the event of the sale of a consolidated equity investment, the cumulative value of the translation differences recognized in the translation reserve is recognized through profit or loss.

In the preparation of the consolidated financial statements, the following principles were applied:
Subsidiary companies:

- the assets and liabilities, the revenues and costs, of the consolidated companies are consolidated using the line-by-line method, eliminating the book value of the investments held by the parent company against the related shareholders' equity. Any differences are recognized in accordance with IFRS 10 "Consolidated Financial Statements" and IFRS 3 "Business Combination"; minority interests are recorded at the fair value of the assets and liabilities acquired without recording any goodwill;
- Group companies are deconsolidated when control no longer exists;
- receivables and payables, revenues and costs and significant transactions with companies included in the consolidation are eliminated, including dividends distributed within the Group. Unrealized profits are also eliminated, as are profits and losses deriving from operations between Group companies.
- minority interest shareholders' equity is recorded in a specific account under equity; the minority interest share of the result is recorded in a separate account in the statement of profit and loss.

- Investments in associated companies and joint ventures are measured under the equity method, according to which the carrying amount of an equity investment is adjusted to take account of the following factors:
- the standardization of accounting standards, where necessary;
- recognition of the group's share of the profit or loss after the date of acquisition;
- changes due to differences in the equity of the shareholding that were not recognized through profit or loss in accordance with applicable financial reporting standards;
- dividends distributed by the investee;
- any differences arising at the time of the acquisition (measured in accordance with the principles described in the paragraph "Business combinations") and handled in application of applicable financial reporting standards;
- the profits and losses deriving from the application of the equity method are recorded in the statement of profit and loss;
- any adjustments from impairment tests.

The dividends, write-backs, write-downs and impairments on investments in companies included in the consolidation scope, in addition to the gains, losses and inter-company disposals of investments in companies and the related tax effects included in the consolidation scope are eliminated.
Gains and losses from transactions between consolidated companies not arising through transactions directly or indirectly with third parties are eliminated. Inter-company losses not realized are considered where the transaction indicates a reduction in value of the activity transferred.

Business Combination

Business combinations are recognized according to the acquisition method, as defined by IFRS 3 Business combinations. According to this method, the amount transferred in a business combination is recognized at fair value, calculated as the sum of the fair value of the assets transferred and the liabilities assumed by the Group at the acquisition date and of the equity instruments issued in exchange for control of the company acquired. Transaction costs are recognized to profit or loss when they are incurred.
At the acquisition date, the assets and the liabilities acquired are recorded at fair value at the acquisition date; the following items form an exception, which are instead valued according to the applicable standard:
- Deferred tax assets and liabilities;
- Assets and liabilities for employee benefits;
- Liabilities or equity instruments relating to share-based payments of the company acquired or share-based payments relating to the Group issued to replace contracts of the entity acquired;
- Assets held-for-sale and discontinued assets and liabilities.

Goodwill is calculated as the excess of the amounts transferred in the business combination, of the value of minority interests' net equity and the fair value of any holding previously held in the acquired company compared to the fair value of the net assets acquired and liabilities assumed at the acquisition date. If the

value of the net assets acquired and the liabilities assumed at the acquisition date exceeds the sum of amounts transferred, of any minority interest and the fair value of any holding previously held in the acquired company, this excess is immediately recorded to the statement of profit and loss as income deriving from the transaction concluded.
The share of equity attributable to non-controlling interests, at the acquisition date, is in proportion to the acquiree's recognized net assets, excluding any goodwill attributed (so-called partial goodwill method). Alternatively, the entire amount of goodwill generated by the acquisition is recorded considering also the share of minority interests (full goodwill method). The choice in the determination method of the goodwill (partial goodwill method or full goodwill method) is made separately for each business combination. Where not otherwise specified the partial goodwill method is utilized.
Where control is acquired in several stages, the acquisition cost is determined through the sum of the fair value of the investment previously held in the investee and the total amount for the additional holding. The difference between the fair value of the investment previously held and the relative carrying amount is recorded in the statement of profit and loss.
In accordance with IFRS 10 paragraph 23 (transactions with shareholders) with regard to equity investments acquired subsequent to the acquisition of control (non-controlling interest acquisitions), any difference between the acquisition cost and the corresponding portion of equity acquired is recognized to Group equity; similarly, the effects from the sale of the non-controlling share without loss of control are recognized to equity.
On the other hand, the sale of a stake resulting in the loss of control determines the recognition to the statement of profit and loss: (i) of any gain/loss calculated as the difference between the payment received and the corresponding share of the consolidated net equity sold; (ii) of the effect of the alignment to the relative fair value of any residual investment maintained; (iii) of any values recorded under other comprehensive income relating to the former subsidiary for which it is expected the reversal to the statement of profit and loss.
The value of any investment maintained, aligned to the relative fair value at the date of loss of control, represents the new initial recognition value of the investment and therefore constitutes the value for subsequent measurement in accordance with the applicable criteria.

Acquisition of NuVu

On February 6, 2024, Piovan S.p.A. and Nu-Vu Conair Private Ltd. announced the signing of an agreement which stipulated the purchase by Piovan S.p.A. of 1% of the share capital of NuVu, an Indian company of which Piovan already indirectly holds 50% through the subsidiary Conair Pacific Equipment PTE Ltd, from the selling shareholders of NuVu. The acquisition was completed on February 14, 2024, following the satisfaction of all conditions set out under the agreement, and the Piovan Group currently holds a total stake of 51% in NuVu.

NuVu was a joint venture between Nu-Vu Engineers, Ahmedabad, India and The Conair Group (part of the Piovan Group), Pennsylvania, USA. The joint venture began in 2007, and Nu-Vu Conair Pvt. Ltd. is currently one of the leading manufacturers of polymer processing automation systems in India. The company employs about 250 people and operates a manufacturing plant with a total area of about 150,000 sq. ft.

(currently being expanded by an additional 80,000 sq. ft.) for the production of centralized vacuum conveying systems, drying systems, gravimetric dosing systems, chillers and mold temperature control units, crystallizers, conveyor belts, granulators and other polymer processing machinery.

This transaction was conducted with a view to: (i) further strengthening the Piovan Group's presence in Asia; (ii) consolidating the competitive position in India - one of the sector's fastest growing markets; (iii) localizing the Piovan Group's products in order to boost market penetration; (iv) supporting local Indian customers and global conglomerates investing in India; and (v) creating a HUB for field services in the region.
The consideration paid to purchase 1%, amounting to Euro 348 thousand, was determined based on a valuation prepared by an independent expert and was settled in full on the closing date. The governance of the company is regulated by a shareholders' agreement which, among other provisions, includes among the rights of the Piovan Group, the right to decide on the company's "relevant activities".

The agreement with the selling shareholders, who as a result of the sale of 1% retained a 49% stake in the company, includes a Put/Call Option mechanism for third-party shareholders to exit in two tranches to be exercised between 2029 and 2032. Specifically, the contract stipulates:

- a "First Put /Call Option", whereby the third-party shareholders can exercise a put option and Piovan S.p.A. can exercise a call option, of the shares held by the third-party shareholders, corresponding to 24.5% of NuVu's share capital, in the period between April 1, 2029 and November 30, 2029. Where not exercised, the right for both parties lapses.
- a "Second Put /Call Option", whereby the third-party shareholders can exercise a put option and Piovan S.p.A. can exercise a call option, of the shares held by the third-party shareholders, corresponding to 24.5% of NuVu's share capital, in the period between April 1, 2032 and November 30, 2032. Where not exercised, the right for both parties lapses.

The sale price of the shares is determined on the exercise of the options, based on certain operating and financial parameters set out in the agreements between the parties.
In accordance with IAS 32 (paragraph 23), the liabilities, related to these options, were measured at fair value as of the transaction date, which is the present value of the sales price of the shares that will be determined when the options are exercised. The discount rate used was approximately 3.86%.
These options have been recognized under "liabilities for options granted to non-controlling interests", as a balancing entry in Group equity, in view of the fact that the risks and benefits on the remaining 49% stake remain with the non-controlling interests. The Group also continues to recognize the non-controlling interests in the result for the year and in equity until the put option is exercised.
Subsequent changes in the fair value of the liability are recognized in the statement of profit and loss.
The Piovan Group is considered to have gained control of NuVu on January 31, 2024 - the closest date to the closing. Therefore, the related results have been included on the consolidated financial statements as of that date.
Given that the assets and liabilities acquired represent a business, the transaction is considered to be a business combination as defined by IFRS 3. For this acquisition, it was chosen to apply the "Full goodwill method". This method provides for the recognition of the full amount of goodwill generated by the acquisition, also considering the portion attributable to non-controlling interests. In this regard, non-

controlling interests are expressed at their full fair value, including also therefore the goodwill attributable to them.
The assets acquired and the liabilities assumed by Piovan as a result of this transaction are as follows:

EUR/000	Fair Value at the acquisition date
ASSETS	
Property, plant and equipment	4,668
Intangible assets	11,783
• *of which Backlog e Customer relationship*	*11,779*
Other non-current assets	25
Deferred tax assets	198
Inventories	3,767
Trade receivables	1,356
Tax receivables	6
Other current assets	208
Cash and cash equivalents	3,822
TOTAL ASSETS	**25,834**
LIABILITIES	
Employee benefits plans	65
Provision for risks and charges	190
Deferred tax liabilities	2,977
Trade payables	1,104
Advances from customers	967
Tax liabilities and social security contributions	201
Other current liabilities	321
TOTAL LIABILITIES	**5,826**
Fair value of net assets acquired	**20,008**

The considerations made in the initial consolidation, as outlined in the "Periodic Financial Statements at March 31, 2024", had resulted in the provisional allocation to goodwill of the entire difference between the consideration paid, the assets acquired, and the liabilities assumed.
These considerations were first updated when preparing the Half-Year Financial Report at June 30, 2024, and made definitive in drawing up the Periodic Financial Statements at September 30, 2024. The purchase price allocation was supported by specific analyses conducted by an independent expert.
The difference between the price paid and the assets acquired and the liabilities assumed was allocated for INR 1,060,107 thousand (Euro 11,779 thousand at the acquisition date) to Intangible Assets of finite useful life (of which the customer list for Euro 11,381 thousand and backlog for Euro 398 thousand, fully amortized at December 31, 2024) and to deferred taxes for INR 266,829 thousand (Euro 2,965 thousand).
The difference between the price paid, the fair value of the assets acquired and the liabilities assumed of INR 1,246,421 thousand (Euro 13,849 thousand at the acquisition date) was allocated to Goodwill, calculated by measuring the non-controlling interest equity at fair value. This transaction has also involved the re-measuring at fair value of the share initially held in NuVu (50%) with the recognition of an income equal to Euro 6,393 thousand.

Changes in the main accounting standards applied and effects of the new standards

The consolidated financial statements for 2024 were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) endorsed by the European Commission and in force at the reporting date.
The preparation of the consolidated financial statements in accordance with IAS/IFRS requires management to make estimates and assumptions which have an impact on the amounts reported in the financial statements and the relative notes; actual results may differ from the estimates made. Please refer to the paragraph "Use of estimates" for a description of the areas most subject to the use of estimates.
In the preparation of these consolidated financial statements at December 31, 2024 the accounting standards adopted are those as utilized in the preparation of the consolidated financial statements at December 31, 2024, with the exception of that reported below.

IFRS accounting standards, amendments and interpretations applicable to the Company and applied from January 1, 2024

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group from January 1, 2024:

- 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" and on October 31, 2022 published an amendment entitled "Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants.". The purpose of the amendments is to clarify how to classify payables and other short or long-term liabilities. The amendments also improve the information that an entity must provide when its right to defer settlement of a liability for at least 12 months is subject to meeting certain parameters (i.e. covenants). The adoptions of these amendments do not have any effects on the Group consolidated financial statements.

- On September 22, 2022, the IASB published an amendment entitled "**Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback".** The document requires the seller-lessee to measure the lease liability arising from a sale & leaseback transaction so as not to recognize income or losses relating to the retained right of use. The adoption of this amendment does not have effects on the consolidated financial statements of the Group.

- On May 25, 2023, the IASB published an amendment entitled "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements". The document requires an entity to provide additional information on reverse factoring arrangements.

The adoptions of these amendments do not have any effects on the Group consolidated financial statements.

IFRS accounting standards, amendments and interpretations approved by the EU, not yet mandatory and not adopted in advance by the Group at January 1, 2024

On August 15, 2023, the IASB published an amendment entitled "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". The document requires an entity to apply a consistent methodology in order to ascertain whether one currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used and the disclosure to be made in the notes to the financial statements. The amendment will be applicable from January 1, 2025, although advance application is permitted. The directors do not expect this amendment 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 30, 2024, the IASB published the document "Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7". This clarifies a number of problematic issues emerging from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary upon achievement of ESG objectives (i.e., green bonds). The amendments will be applicable to financial statements for periods beginning January 1, 2026. The directors do not expect this amendment to have a significant impact on the Group consolidated financial statements.
- On July 18, 2024, the IASB published a document called **"Annual Improvements Volume 11"**. The document includes clarifications, simplifications, corrections and changes to improve the consistency of several IFRS Accounting Standards, amending them. The amendments will be applicable from January 1, 2026, although advance application is permitted. The Directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.
- On December 18, 2024, the IASB published an amendment entitled **"Contracts Referencing Nature-dependent Electricity - Amendment to IFRS 9 and IFRS 7"**. The document seeks to support entities in reporting the financial effects of renewable electricity purchase agreements (often structured as Power Purchase Agreements). The amendment will be applicable from January 1, 2026, although advance application is permitted. The directors do not expect this amendment to have a significant impact on the Group consolidated financial statements.
- On April 9, 2024, the IASB published a new standard - **IFRS 18 Presentation and Disclosure in Financial Statements** - which will replace IAS 1 Presentation of Financial Statements. The new standard seeks to improve the presentation of financial statement formats, with particular regard to the income statement format. Specifically, the new standard requires that:

- revenues and expenses are classified into three new categories (operating section, investment section, and financial section), in addition to the tax and discontinued operations categories already in the income statement;
- Two new sub-totals are presented: operating income and earnings before interest and taxes (i.e., EBIT).

The standard will be effective from January 1, 2027, although advance application is permitted. The directors are currently assessing the possible effects from the introduction of the new standard.

Accounting principles and policies

Property, plant & equipment

Property, plant & equipment are recognized at historical cost, including directly allocated accessory costs and those necessary for bringing the asset to the condition for which it was acquired.
Leasehold improvements and maintenance expenses which produce a significant and tangible increase in the production capacity or safety of assets, or which lengthen their useful lives, are capitalized and recognized as an increase to the relative asset and are depreciated together with the original asset. Ordinary maintenance costs are charged directly to the statement of profit and loss. Leasehold improvements are classified under "Property, plant and equipment" in line with the nature of the cost incurred.
Property, plant & equipment are presented net of accumulated depreciation and any losses in value, calculated as described below. Depreciation is calculated on a straight- line basis over the estimated useful life of the asset. This period is reviewed annually and any changes are made on a prospective basis.
The depreciation rates used are as follows:

Industrial buildings:	from 3% to 5%
Plant & machinery:	from 5% to 15.5%
Industrial and commercial equipment:	from 12% to 20%

Land has an indefinite useful life and is therefore not subject to depreciation.
For leasehold improvements the depreciation period corresponds to the lower of the residual useful life of the asset and the duration of the lease contract.
At the time of sale, or when there are no expected future economic benefits from the use of an asset, it is eliminated from the financial statements and any loss or profit (calculated as the difference between sale's price and book value) is charged to the statement of profit and loss in the year of its elimination.

Right-of-use assets

Assets held through leasing contracts, as provided for by IFRS 16, through which the Company holds the right to use the asset, are recognized as assets by the Company, under "right-of-use", at their cost, which includes the present value of the minimum lease payments due, any payment or contribution received even before the commencement date, direct initial costs, estimate of the costs that will have to be

incurred for the restoration, dismantling, removal of the underlying asset in accordance with the contractual conditions.
The corresponding liability to the lessor, equal to the present value of payments due for the lease and not paid at the date of initial recognition, is recognized under financial payables. If the lease transfers ownership of the underlying asset to the Company (in those cases where the Company is the lessee) at the end of the lease term or if the cost of the asset consisting of the right of use reflects the fact that the Company will exercise the purchase option, the Company will amortize the asset consisting of the right of use from the effective date until the end of the useful life of the underlying asset. If this is not the case, or if no transfer is envisaged, the asset consisting of the right of use is amortized, from the date of commencement of the lease, over the shorter of the useful life of the asset consisting of the right of use and the duration of the lease.
For the purpose of presenting the statement of financial position, right-of-use assets have been broken out separately, whereas liabilities relating to leasing are classified under “Current financial liabilities” and “Non-current financial liabilities”.
The Group applies the exception for the recognition of short-term leases for machinery and equipment (i.e. leasing with a duration of 12 months or less from the commencement date and not containing a purchase option). The Group has also applied the exception for leases concerning assets of a modest value with regards to the leasing contracts on office equipment whose value is considered low. The short-term lease instalments and those for low value assets are recognized as costs on a straight-line basis over the lease duration and included under “Service costs”.

Goodwill

Goodwill under intangible assets is related to business combinations and is determined, as more fully described in the paragraph "Business combinations", as the excess of the sum of the consideration transferred in the business combination, the value of shareholders' equity attributable to minority interests and the fair value of any previously held interest in the acquired company over the fair value of the net assets acquired and liabilities assumed at the acquisition date. The share of equity attributable to non-controlling interests, at the acquisition date, is in proportion to the acquiree’s recognized net assets.
Goodwill is not amortized; an impairment test is undertaken annually to verify any loss in value, or more frequently if specific events or changed circumstances indicate the possibility of an impairment, in accordance with IAS 36 “Impairment of assets”.
For the purpose of the impairment test the, goodwill is allocated to each of the Group's cash generating units (or groups of cash generating units) that are expected to benefit from the synergies of business combinations. For the goodwill arising from acquisitions prior to the transition date to IFRS (January 1, 2015), the Company availed of the exemption allowed by IFRS 1 and determined the deemed cost of goodwill.

Other intangible assets

These are identifiable non-monetary assets, without physical substance, subject to the control of the company, capable of bringing future economic benefits to the company. They are initially recognized at cost when they can be reliably measured in the same way as property, plant and equipment.
These assets are subsequently recorded net of accumulated depreciation and any impairment losses. The useful life is reviewed periodically and any changes, where necessary, are made in accordance with future estimates. Any internally generated intangible assets are capitalized, within the limits and under the conditions set forth in IAS 38.
The estimated average useful life is between 3 and 10 years.
The gains and losses deriving from the disposal of intangible assets are determined as the difference between the disposal amount and the carrying amount of the asset and are recorded in the statement of profit and loss at the moment of the disposal.

Equity investments

Investments in associated companies and joint ventures are measured using the equity method while other investments are measured as per IAS 9.

Other non-current assets

The account mainly includes security deposits. These assets are measured at their estimated realizable value.

Impairment of non-financial assets

Should there be an indication of an impairment loss in property, plant and equipment or in intangible assets, the estimated recoverable value of the asset needs to be measured in order to determine the amount of the loss. For goodwill or assets with indefinite useful life, impairment testing is conducted at least once each year.
The recoverable value of an asset is the higher between the fair value less costs to sell and its value in use. In the absence of a binding sales agreement, the fair value is estimated on the basis of the values on an active market, from recent transactions or on the basis of the best information available to reflect the amount which the entity could obtain from the sale of the asset. Value in use is calculated as the present value of the expected future cash flows generated by using the asset, net of taxes and of its disposal value at the end of its useful life, if this can be reasonably determined. The discounting is made applying a post-tax discount rate which reflects the current market assessment of the time value of money and the risks specific to the asset.
The valuation is made by individual asset or for the smallest identifiable group of assets which generate independent cash flows deriving from continual utilization (“cash generating unit”). An impairment loss is recognized when the recoverable amount is less than the carrying amount. When the reasons for the

write-down no longer exist, the assets, except goodwill, are revalued and the adjustment is recorded to the statement of profit and loss as a revaluation (restatement of value). The revaluation is the lower between the recoverable value and the recognition value before the write-down previously made, reduced by the share of amortization which would have been recorded if the write-down had not been made.

Inventories

Inventories are stated at the lower of purchase and/or production cost, determined by the weighted average cost method, and the net realizable value. Purchase cost includes ancillary charges; production cost includes directly attributable costs and a portion of indirect costs, reasonably attributable to the products.
With regard to work in progress, the valuation was carried out at the weighted average cost for the year, including ancillary charges attributable to the production process, taking into account the progress of the work carried out.
Obsolete and/or slow-moving inventories are written down in relation to their expected future utilization through the recording of an obsolescence provision.
Write-downs are restored in future years should the reason for the write-down no longer exist.

Contract assets and contract liabilities for work-in-progress

Contractual assets and liabilities are recognized and measured in accordance with IFRS 15 – Revenue from Contracts with Customers. These items arise with reference to the execution of contracts in which the recognition of revenues takes place over time. For these contracts, the Group records sales revenues in proportion to the progress of the performance obligation, which is measured using the cost-to-cost method. Given that the analysis is carried out contract by contract, the recording in the statement of financial position is as follows: when the costs incurred, increased by the related margins recorded, exceed the advances received from customers, the difference is recognized as an amount due from customers under assets in the item Assets for contract work in progress, when the advances received from customers exceed the costs incurred, increased by the related margins recorded, the difference is recognized as an amount due to customers under liabilities in the item Liabilities for contract work in progress.

Trade receivables

Receivables are initially recorded at fair value, which corresponds to their nominal value, and subsequently measured at amortized cost and reduced in the event of impairment. In addition, they are adjusted to their estimated realizable value by recording a specific adjustment provision in accordance with IFRS 9.
Receivables in foreign currencies are recorded at the transaction exchange rate and, subsequently, translated at the year-end rate. The gain or loss resulting from translation is recognized in the statement of profit and loss under Exchange gains/(losses).

Financial instruments

Financial assets and Debt instruments

Depending on the characteristics of the instrument and the business model adopted for its management, the financial assets, which represent debt instruments, are classified in the following three categories:

(i) financial assets measured at amortized cost;

(ii) financial assets measured at fair value with recognition of the effects to other comprehensive income (also, OCI);

(iii) financial assets measured at fair value with changes recognized in the statement of profit and loss.

Initial recognition is as fair value. For trade receivables without a significant financial component, the amount of initial recognition is the price of the transaction.

After initial recognition, financial assets that generate contractual cash flows that represent exclusively capital and interest payments are measured at amortized cost, if held for the purpose of collecting the contractual cash flows (business model hold to collect). Using the amortized cost method, the initial carrying amount is subsequently adjusted to take account of capital repayments, any write-downs and the amortization of the difference between the repayment value and the initial carrying amount. Amortization is carried out on the basis of the effective internal interest rate which represents the rate that makes the present value of expected cash flows and the expected initial carrying amount at the time of initial recognition. Receivables and other financial assets measured at amortized cost are shown net of the related doubtful debt provision.

Financial assets represented by debt instruments whose business model provides both the possibility of collecting contractual cash flows and the possibility of realizing capital gains on disposal (so-called business model hold to collect and sell), are measured at fair value with the effects recognized to OCI (hereafter FVTOCI). In this case, changes in the fair value of the instrument are recognized in equity, among other components of comprehensive income. The cumulative amount of changes in fair value, recognized in the equity reserve that includes the other components of comprehensive income, is reversed to the statement of profit and loss when the instrument is derecognized. Interest income calculated using the effective interest rate, exchange rate differences and write-downs are recorded in the statement of profit and loss.

A financial asset representative of a debt instrument which is not valued at amortized cost or at FVTOCI, is valued at fair value with recognition of the effects to the statement of profit and loss (hereafter FVTPL).

Financial assets sold are derecognized when the contractual rights to obtain the cash flows associated with the financial instrument expire or are transferred to third parties.

Write-downs of financial assets

In relation to the loss in value of the financial assets, IFRS 9 requires the application of a model based on expected credit losses, instead of based on the losses on receivables already incurred required by IAS 39. The differing model based on expected losses on receivables requires the Company and the Group to

consider these losses and their changes and at each reporting date to reflect changes in the credit risk since the initial recognition of the financial asset.
This rule applies to:
- Investments in debt instruments valued subsequently at amortized cost or FVTOCI;
- Financial lease receivables;
- Trade receivables and contract work-in-progress;
- commitments to issue loans and guarantee contracts to which the reduction in value provisions of IFRS 9 apply.

In particular, IFRS 9 requires that the Group measures the provision to cover the losses of a financial asset at an amount equal to the expected losses over the lifetime of the receivable (lifetime expected credit losses, ECL), where the credit risk of this financial asset is significantly increased after initial recognition, or where the financial instrument is an acquired or arising deteriorated financial asset. Therefore, where the credit risk of a financial instrument has not increased significantly after initial recognition (except for an acquired or arising deteriorated financial asset), the Group should measure the coverage of losses provision for the financial instrument for an amount equal to the expected credit losses from a default event in the 12 subsequent months (12-months expected credit losses). IFRS 9 in addition, in such circumstances, requires the adoption of a simplified method to measure the provision for the coverage of losses for the trade receivables, the contract assets and the finance lease receivables, estimating the lifetime expected credit losses.

Financial liabilities

Financial payables and bonds are recognized at initial cost, corresponding to the fair value of the amount received, less the accessory charges for acquiring the instrument. After initial recognition, financing is measured at amortized cost, which calls for amortizing the amount using the effective interest rate, which is the rate that renders equal, on the initial recognition, the value of expected cash flows and the initial recognition amount. Charges related to financing are recognized as a reduction to the liability value of the financing granted, and the amortized cost is calculated by taking account of these charges and any discounts or premiums applicable at the time of settlement. The effects of measurement at amortized cost are recognized through profit or loss as "Financial income/(expense)".
A financial liability is derecognized from the financial statements when the underlying liability is settled or cancelled. If an existing financial liability is replaced by another by the same lender but under substantially different conditions, or if the conditions of an existing financial liability are substantially changed, such a swap or change is treated as an elimination of the original liability and the opening of a new liability, with any differences in accounting values recorded in the statement of profit and loss.

Derivative financial instruments and hedging activity

Derivative financial instruments are recognized at fair value at the time at which the contract is signed and at subsequent reporting dates. The method for recognizing gains or losses from fair value measurement vary based on whether or not the conditions are met for hedge accounting as per IFRS 9.

The purposes of hedging are assessed based on the objectives of risk management. Should the conditions for hedge accounting in accordance with IFRS 9 not be met, the related financial derivative instruments are recognized as financial instruments measured at fair value through profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits on demand and other uses of treasury with original maturity of no more than three months or otherwise readily liquid without significant costs or losses.

Shareholders' Equity

The share capital is entirely comprised of ordinary shares which are classified under shareholders' equity. Incremental costs directly attributable to the issuance of ordinary shares are recorded as a decrease in equity, net of the tax effect. The Translation reserve includes exchange rate differences arising from the translation of the opening 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.
In the event of purchasing treasury shares, the consideration paid, including directly attributable costs and net of tax effects, is recognized as a reduction to equity. The treasury shares purchased are recognized as a reduction of shareholders' equity. The consideration received on the subsequent disposal of treasury shares is recognized as an increase to equity. Any positive or negative difference resulting from the transaction is transferred to/from retained earnings.

Earnings per share

The ordinary basic earnings per share is calculated by dividing the result of the Parent Company by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares.
The ordinary diluted earnings per share is calculated by dividing the result of the Parent Company by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares, and adjusted to take into account the number of potential shares that could be issued.

Employee benefits plan

This item includes the provision for employee severance indemnities ("TFR") and the other provisions for employee benefits envisaged by IAS 19 "employee benefits". As a defined benefit plan, TFR is recognized on the basis of valuations made at the end of each financial year by independent actuaries. The liability recorded in the statement of financial position represents the present value of the obligation payable at the end of the employment relationship, which employees have accrued at the reporting date calculated taking into account the results obtained by applying the projected unit credit method. As a result of Law No. 296/06, which amended the system of employee severance indemnities payable to employees, the severance indemnities accruing from January 1, 2007 now form a defined-contribution plan (defined contribution plan, using the terminology provided by IAS 19), both in the case of allocation to the treasury fund at the INPS (National Social Security Institute) and in the case of a supplementary pension option. The provision accrued up to December 31, 2006 remains a "defined benefit plan" with the consequent need to make actuarial calculations which, however, must exclude the component relating to future salary increases. It should be noted that there are no assets serving the plan. Actuarial gains and losses are recognized in full in the period in which they arise and, in accordance with IAS 19 as amended, from 2015 these gains and losses are recognized directly in the comprehensive statement of profit and loss.

Provisions for risks and charges

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", provisions are recognized: (i) when there is an obligation (legal or constructive) resulting from a past event, (ii) it is probable that resources will be used to settle the obligation and (iii) a reliable estimate can be made of the amount resulting from the settlement of the obligation. Changes in estimates between one year and the next are charged to the statement of profit and loss.

If the financial effect linked to time is significant and the dates of payment of the obligation can be reliably estimated, the provision is shown at present value. The subsequent change linked to the passage of time is recorded in the statement of profit and loss under financial components.

For possible but not probable risks, no provision is made but an adequate description is provided in the Notes.

Trade payables and other current liabilities

Trade payables and other current liabilities, whose due dates fall within normal commercial terms, are initially recorded at fair value, identified by their nominal value, and are not discounted. If the maturity date is not within normal commercial terms, the financial component is separated using an appropriate market rate.

Liabilities for options granted to non controlling interest

In cases where less than 100 per cent of the shares of a subsidiary in a business combination are acquired, a put option may be granted to the seller allowing the seller to sell its remaining interest in the subsidiary to the acquirer at a specified price. As already described, the acquisition of control of a business is recognized in accordance with IFRS 3 Business Combinations. With regard to the put option granted, regardless of whether the exercise price of the put option is a fixed or variable price, in accordance with IAS 32 (paragraph 23) a liability is recognized at a value equal to the present value of the amount that could be required to be paid to the counterparty. On initial recognition, the value of the liability arising from put options is recorded as a reduction in Group equity. Subsequent changes in the fair value of the liability are recognized in the statement of profit and loss. The Group also continues to recognize the non-controlling interests in the result for the year and in equity until the put option is exercised.

Potential assets and liabilities

Potential liabilities are possible obligations deriving from past events, whose existence will be confirmed only on the occurrence or otherwise of one or more uncertain future events not fully under the control of the entity. These liabilities are not recognized on the statement of financial position as it is likely that their settlement will not require the use of resources that would produce an economic benefit or the amount can not be determined to a significant degree of reliability. Potential assets are probable assets deriving from past events, whose existence will be confirmed only on the occurrence or otherwise of one or more uncertain future events not fully under the control of the entity. They are disclosed when future economic benefits are probable. When future economic benefits are virtually certain, the potential asset is recognized on the statement of financial position.

Incentive Plans

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

Assets held-for-sale and discontinued operations

Non-current assets (and disposal groups) are classified as held for sale when their carrying value is expected to be recovered by means of a sales transaction rather than through use in company operations. Assets held for sale are recognized as such when there is the intention by an appropriate level of management to dispose of such assets by way of sale when such sale is likely to happen within 12 months. The classification of assets and liabilities, and of revenue and expenses is done in accordance with IFRS 5, distinguishing between assets available for sale and discontinued operations.

Revenue from contracts with customers

Revenue from contracts with customers is recognized based on a model that includes five steps: (i) identification of the contract with the customer; (ii) identification of the performance obligation established by the contract; (iii) determination of the transaction's consideration; (iv) assignment of the transaction's consideration to the performance obligation; and (v) recognition of the revenue either at a point in time or over time, based on when the specific performance obligation is to be met.
The Group operates internationally in the Technical Polymers Systems, Food & Industrial Applications Systems and Services and Spare Parts markets, as defined in the section "General Information". The Group is a global leader in the Technical Polymers market in the design and production of plants and control systems for the automation of all phases of the polymers, recycled plastics and bio-resins production cycle.

In order to provide the qualitative disclosures required by IFRS 15, it should be noted that the Group's revenues can also be broken down into:

• revenues from the sale of automation systems for the storage, transport and processing of polymers, recycled plastics and bioresins (“Technical Polymers Systems”) and automation systems for the storage and transport of food liquids and food and non-food powders (“Food & Industrial Applications systems”): an analysis of the contracts usually entered into with customers show that there are two macro-categories of contracts in which to divide the revenues from the sale of plant and ancillary equipment according to how the performance obligations are met. Specifically:

o contracts in which performance obligations are met "at a point in time": this category includes sales of systems, plants and equipment, mainly in the Technical Polymers Systems market. This category includes contracts that generally provide for a single performance obligation represented by the supply of the plant/equipment and others in which there are three performance obligations represented by (i) the design of machinery and engineering solutions and the production of plant and systems; (ii) installation and (iii) start-up and parameterization. In these types of contractual relationships, the Group recognizes revenues when the customer obtains control of the asset, normally identified, according to the contractual conditions, on shipment or delivery of the plant/product to the customer, while for the other two performance obligations the revenue is recorded when the service is provided. It is specified that, on average, systems/equipment belonging to this category require an execution time of between three and six months and that the general terms and conditions of sale provide for advance payments recorded under the item Advances from customers.

o contracts in which the performance obligations are met "over time": typically these are the sale of certain plants in the Technical Polymers Systems market and those in the Food & Industrial Application Systems market with a high degree of customization required by customers and in which the contractual conditions provide that control of the asset is transferred to the customer either on testing or on installation. It is considered that the contractual performance obligation is unique and that it is fulfilled over time since the product system has no alternative use for the company, being very specific and customized, and since the Group is entitled to receive a fee for what has been completed on the date in the event of cancellation of the order. Therefore the Group records the sales revenues of these plants in proportion to the progress on the performance obligation. In order to determine progress, an input method is used, i.e. the cost-to-cost method, which provides for the proportion of contract costs incurred for work carried out up to the reporting date to the total estimated contract costs. Estimates are based on contract forecasting and reporting data and, where necessary, estimates of contract revenues and costs are revised. Any economic effects are recognized in the period in which the updates are made. Generally, the execution time required for these installations is not more than one year and payments on account are foreseen.

Contract work in progress is stated net of advances concerning the contract in course of execution. Given that the analysis is carried out contract by contract, the recording in the statement of financial position is as follows: when the costs incurred, increased by the related margins recorded, exceed the advances received from customers, the difference is recognized as an amount due from customers under assets in the item Assets for contract work in progress, when the advances received from customers exceed the costs incurred, increased by the related margins recorded, the difference is recognized as an amount due to customers under liabilities in the item Liabilities for contract work in progress.

- revenues from spare parts sales: revenues from the sale of spare parts are recognized on the transfer of the goods. This normally takes place when the goods are shipped or delivered.
- revenue for technical assistance services: service Revenue is recognized on completion and/or maturation.

Revenues are recognized net of discounts. In the event of contracts with customers than include more than one performance obligation, the discount is allocated in proportion to the fair value of each performance obligation.

Costs

Costs are accounted for on an accrual basis and in accordance with the matching concept of revenues and expenses. Costs are classified according to their nature.
In accordance with IAS 38 "Intangible Assets", advertising and research costs fully expensed to the statement of profit and loss.

Interest paid

Interest income and expense are recorded on an accrual basis with regard to interest accrued on the net value of financial assets and liabilities using the effective interest rate.
On the statement of cash flow, interest expense paid during the year is recognized among financing activities.

Other indirect taxes and duties

Indirect taxes and duties are recognized in the period concerned as “Other operating expenses”.

Dividends

Dividends received from shareholdings that are not fully consolidated or consolidated at equity are recognized as income when the right for the Group to receive the dividend arises, i.e. when distribution of the dividend is approved by the shareholders, and when it is probably that the economic benefits of the dividend will go to the Group.
On the statement of cash flow, dividends received by the Group during the year is recognized among operating activities.

Government grants and grants from other public entities

Government grants are recognized when it is almost certain that the conditions required to obtain them will be satisfied and that they will be received.

The public grants relating to property, plant and equipment are recorded as deferred revenue in the account “Other non-current liabilities”. The deferred revenue is recorded in the statement of profit and loss as income on a straight-line basis in accordance with the useful life of the asset to which the grant was received.

Operating grants are recorded in the statement of profit and loss in the account Other revenue and income.

Income taxes

Taxes are determined by applying the regulations in force at the reporting date or substantially in force in the countries in which the Group carries out its activities; current tax liabilities are recorded in the statement of financial position net of any payments on account.
A provision is recorded on those tax aspects for which the determination of taxes is subject to uncertainty, but for which the future payment to the tax authorities is considered probable. The provisions represent the best estimate of the amount that is expected to be paid. The assessment is made by the administrative department, which has previous experience in the tax field and in some cases with the support of external tax consultants.
Deferred tax assets and liabilities reflect the temporary differences between the value attributed to an asset or liability in accordance with IAS/IFRS and the value attributed to them for tax purposes, valued on the basis of the tax rates in force or substantially in force for future years. Deferred tax assets are recognized only if there is a likelihood of their recoverability, i.e. when it is considered probable that there will be future taxable income to use them. Deferred taxes are always recognized except for certain situations that are not in line with IAS 12 "Taxes" as in the case of the recognition of goodwill or if the temporary difference arises from the initial recognition (in addition to a business combination) of other assets and liabilities in a transaction that affects neither taxable profit nor profit for the year. Deferred tax assets and liabilities are offset when there is a legal right to offset current tax receivables and payables and when they relate to income taxes applied by the same tax authority and the Group intends to settle the receivables and payables on a net basis. The Company does not offset deferred tax assets against deferred tax liabilities. Deferred taxes on the tax-suspended reserves of the consolidating company are recorded in the year in which the liability relating to the payment of the dividend is recorded.
Deferred tax liabilities are recognized on taxable differences arising from investments in subsidiaries and associates, unless the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences are recognized only to the extent that it is probable that there will be sufficient taxable profits against which the benefits of the temporary difference can be used and are expected to reverse in the foreseeable future. In addition in relation to the companies in the tax consolidation, the accounting of the deferred tax assets is made on the basis of the expectations of future taxable income for the Group and on the possibility of transferring certain tax benefits onto the companies involved in the national tax consolidation of Pentafin S.r.l. The evaluation of the expected assessable

income in order to record the deferred tax asset depends upon factors which may change over time and result in significant effects on the recovery of the deferred tax asset.

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 statement of profit and loss.
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 statement of profit and loss.
The main exchange rates (currency for 1 euro) used to translate the financial statements in currencies other than the euro for the years ended December 31, 2024, and December 31, 2023 (comparative data), are summarized below:

Currency		Average rate		Closing rate	
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
BRL	Brazilian Real	5.83	5.40	6.43	5.36
CAD	Canadian Dollar	1.48	1.46	1.49	1.46
CZK	Czech Koruna	25.12	24.00	25.19	24.72
CNY	Yuan Renminbi	7.79	7.66	7.58	7.85
GBP	Pound Sterling	0.85	0.87	0.83	0.87
HUF	Forint	395.30	381.85	411.35	382.80
MXN	Mexican Peso	19.83	19.18	21.55	18.72
SGD	Singapore Dollar	1.45	1.45	1.42	1.45
USD	US Dollar	1.08	1.08	1.04	1.11
THB	Baht	38.18	37.63	35.68	37.97
INR	Indian Rupee	90.56	89.30	88.93	91.90
TRY	Turkish Lira	35.57	25.76	36.74	32.65
AED	UAE Dirham	3.98	3.97	3.82	4.06
JPY	Yen	163.85	151.99	163.06	156.33
VND	Dong	27,113.00	25,771.00	26,478.00	26,808.00
MAD	Dirham Marocco	10.76	10.96	10.51	10.93
KRW	Won sud	1,475.40	1,412.88	1,532.15	1,433.66
TWD	Taiwan Dollar	17,157.68	16,479.62	16,820.88	17,079.71
IDR	Indonesian Rupee	34.75	33.70	34.06	33.87

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

Use of estimates

When preparing these consolidated 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 statement of financial position, the statement of profit or loss and the statement of cash flow, 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.
The items that, given their nature, have provided for greater recourse by the Directors to the use of estimates and for which a change in the conditions underlying the assumptions used may have an impact on the consolidated financial statements are as follows:

- Impairment test on goodwill: this test is used to assess the recoverability of goodwill allocated to cash generating units. The allocation of goodwill to cash generating units and the determination of its value in use requires the use of estimates that depend on factors that may change over time.
- Liabilities for put options granted to minority shareholders: the conditions on the basis of which these liabilities exist and their valuation, depending on the contractual provisions, may be based on estimated future economic and financial parameters, therefore the above estimates and assumptions may differ from the historical values reported in the financial statements due to the inherent uncertainty in the assumptions and conditions on which these estimates are based;

It should also be noted that the forecasts on the basis of which the financial statements have been prepared take account of the macroeconomic landscape and ongoing conflicts.

Impairment test for goodwill

The Group tests goodwill for impairment at least once a year. For the purposes of this test, the recoverable value generated by the cash generating units (CGUs) was determined as value in use using the discounted cash flow method. When applying this method, the Group uses various assumptions, including an estimate of future increases in sales, operating costs, the growth rate of terminal values, capex, changes in working capital and the weighted average cost of capital (discount rate).
Changes in the main estimates and assumptions in the preparation of the forecast data relating to the CGU’s used for the test, as well as the other variables, could change the value in use and the result of the realizable value of the assets recorded.

Doubtful debt provision

The doubtful debt provision reflects management’s estimate on losses on the client portfolio for both direct customers and the sales network. The estimate of the doubtful debt provision is based on the expected losses by the Group, determined based on past experience for similar receivables, current and historic amounts overdue, losses incurred and collections, careful monitoring of the credit quality and projections on economic and market conditions and on the estimate of the losses based on the expected losses model. An economic and financial crisis could lead to a further deterioration of the financial conditions of the Group's debtors compared to that already taken into account in the quantification of the provisions recorded in the consolidated financial statements.

Inventory obsolescence provision

The inventory obsolescence provision reflects management estimates on the expected losses in value by the Group, determined based on past experience, the historic trend and market expectations. A deterioration in the general economic and financial conditions could result in a further worsening of the market conditions compared to that already taken into consideration in the calculation of the provisions recorded in the consolidated financial statements.

Fair value estimate

IFRS 13 is the only source of reference for fair value measurement and for the relevant information when such a measurement is required or permitted by other accounting standards. The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRS 13 establishes a fair value hierarchy that classifies the valuation technique inputs used to measure fair value in three levels. The levels provided for, in hierarchical order, are as follow:

- Level 1 inputs: are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs: are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs: are unobservable inputs for the asset or liability.

For information on the valuation techniques applied, please refer to the specific notes to assets and liabilities.

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 [28].

Information on risks and financial instruments

In preparing the financial statements, IFRS 7 requires additional disclosures that enable the reader to assess the relevance of financial instruments within the overall financial performance and standing of the Company, as well as the nature and amount of risks deriving from financial instruments to which the Company is exposed during the year and at the reporting date and the manner in which they are managed.
The additional information required by IFRS 7 supplements the information required by IAS 32 “Financial instruments: disclosure and presentation” and IFRS 9 “Financial instruments”.
The accounting policies applied when preparing the consolidated financial statements in relation to financial instruments are described in the section “Measurement criteria”.
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.
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.
The level of the Group’s exposure to the various categories of financial risk identified is commented upon below.

Credit risk

The Group operates on various national markets with a large number of medium and large-sized customers, mainly end customers in the various countries. Consequently, the Group is exposed to credit risk linked to the ability of its customers to settle the amounts due.
The Group applies a policy based on the credit ratings and credit limits for its customer base and the periodic issue of standard reports, in order to achieve a high degree of control over debt collection.
Each company of the Group directly manages the collection of receivables on sales made in the respective markets and their possible recovery, also through the activation of legal actions. Coordination between companies operating in the same market (e.g. Italian companies) is based on the electronic exchange of information relating to common customers and through coordination on the possible blocking of deliveries or the initiation of legal action.
The doubtful debt provision is recorded on the nominal value of the portion considered noncollectable after deducting the receivables backed by bank guarantees. All guarantees are critically assessed with regard to collectability.
The Directors have not observed a deterioration in credit quality or in collection times as a result of the continuation of the Russia-Ukraine conflict; therefore, it has not been necessary to make significant

changes to how receivables are being managed. In addition, neither the payment terms applied nor the policies for managing credit risk have been changed, but we have prudently increased the level of monitoring of customer positions. The breakdown by maturity of the assets within the scope of IFRS 9 is presented below:

€/000	Due to expire	Overdue whithin 30 days	Overdue between 1 and 12 months	Overdue over 12 months	Provision	31.12.2024
Current trade receivables	44,472	19,560	19,460	4,362	(7,880)	**79,974**
Current financial assets	108	-	-	-	-	**108**
Tax receivables	9,121	-	-	-	-	**9,121**
Other current assets	11,866	-	-	-	-	**11,866**
Total	**65,567**	**19,560**	**19,460**	**4,362**	**(7,880)**	**101,069**

€/000	Due to expire	Overdue whithin 30 days	Overdue between 1 and 12 months	Overdue over 12 months	Provision	31.12.2023
Current trade receivables	56,599	9,777	15,763	3,515	(5,675)	79,979
Current financial assets	6,556	-	-	-	-	6,556
Tax receivables	6,267	-	-	-	-	6,267
Other current assets	13,163	-	-	-	-	13,163
Total	**82,585**	**9,777**	**15,763**	**3,515**	**(5,675)**	**105,965**

Liquidity risk

The Group's overall debt, mainly relating to Piovan S.p.A., is principally fixed-rate and, despite increasing in 2022 to finance the IPEG acquisition, remains at normal levels. The Group has a limited risk with regard to short-term maturities and therefore the risk associated with the rise in interest rates, which was particularly sharp during the year, is linked to the limited portion of medium/long-term loans.

The Group deals mainly with well-known and reliable customers; it is the Group's policy to subject the positions of customers who request payment extensions to the credit line and to constantly monitor them. In addition, the Group's activities are characterized by customer advances against orders placed, which significantly reduces the financial requirements related to working capital.

The Group has a balanced net financial position and has been able to generate positive cash flows that are considered sufficient to finance both its growing operations and investments. Expectations for future years are consistent with this historical trend and therefore the liquidity risk is considered limited overall. Furthermore, given the Group's performance, this risk is not believed to have been heightened by the current macroeconomic landscape and the ongoing conflicts.

As required by IFRS 7, the cash flows relating to the Group's financial liabilities by maturity are presented below:

€/000	Within 1 year	From 1 to 5 years	Over 5 years	Total flows	31.12.2024
Long term loan	34,227	64,449	-	98,676	94,838
Banks borrowings	1,342	-	-	1,342	1,342
Other financial liabilites	4,195	13,890	-	18,085	18,085
Liabilities for options granted to non-controlling interests	-	13,213	13,781	26,994	26,974
Trade payables	75,059	-	-	75,059	75,059
Tax liabilities and social security contributions	12,038	-	-	12,038	12,038
Other liabilities	28,493	898	-	29,391	29,391
Total	**155,354**	**92,450**	**13,781**	**261,585**	**257,727**

€/000	Within 1 year	From 1 to 5 years	Over 5 years	Total flows	31.12.2023
Long term loan	38,453	81,918	-	120,371	116,191
Banks borrowings	666	-	-	666	666
Other financial liabilites	23,240	14,497	-	37,737	37,737
Liabilities for options granted to non-controlling interests	-	-	-	-	-
Trade payables	71,668	-	-	71,668	71,668
Tax liabilities and social security contributions	11,388	-	-	11,388	11,388
Other liabilities	27,122	2,500	-	29,622	29,622
Total	**172,537**	**98,915**	**-**	**271,452**	**267,272**

Market risk linked to the exchange rate

As the Group's business is undertaken in various countries around the world, it is exposed to the risk of foreign exchange fluctuation. The exchange rate risk arises mainly from transactions involving the US dollar, the Chinese renminbi, the British pound, the Brazilian real and the Canadian dollar against the euro. Transactions between the Parent Company and the subsidiaries are generally carried out in the local currency of the subsidiary, therefore the individual companies are not significantly exposed to exchange rate risk, which is nevertheless transferred to the consolidated financial statements, with an impact on margins and net income.

The Parent Company carries out transactions (typically sales) in currencies other than its functional currency. The Group does not currently carry out hedging policies either with reference to the economic effects of purchase and sale transactions in foreign currency or with reference to exchange rate differentials that arise between the time of invoicing in a currency other than that of account in each country and the time of collection or, to a lesser extent, of payment.

In addition, the Parent Company holds equity investments in subsidiaries whose financial statements are in foreign currency. As the Group prepares its consolidated financial statements in Euro, fluctuations in the exchange rates used to convert the financial statements of subsidiaries could affect the Group's economic and financial situation, as this risk is not currently covered by the Group. These changes are recorded in an equity reserve called the "Translation reserve".

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

Currency	31.12.2024		31.12.2023	
	Assets	Liabilities	Assets	Liabilities
EUR	206,126	215,008	187,317	171,086
USD	212,917	68,538	252,291	127,253
CNY	25,659	14,650	16,979	7,408
BRL	9,423	3,312	11,354	6,042
MXN	13,301	7,109	14,656	8,825
THB	4,491	1,858	5,605	3,642
GBP	4,176	5,268	4,727	3,832
CAD	2,742	797	4,390	2,169
INR	45,845	7,963	1,806	334
Other curr.	6,939	3,213	5,620	2,819
Total	**531,619**	**327,716**	**504,745**	**333,410**

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.

Revenues	31.12.2024				31.12.2023			
€/000	FX in LC	Current Forex in €	Forex +10%	Forex -10%	FX in LC	Current Forex in €	Forex +10%	Forex -10%
EUR - Euro	210,173	210,173	210,173	210,173	209,121	209,121	209,121	209,121
USD - Dollaro USA	303,523	280,349	254,924	311,574	322,922	298,538	271,493	331,825
CNY - Renminbi	154,088	19,787	17,988	21,985	140,220	18,305	16,641	20,339
BRL - Real	56,821	9,749	8,863	10,832	56,946	10,544	9,585	11,715
GBP - Sterlina Inglese	5,373	6,346	5,769	7,051	6,611	7,600	6,909	8,445
THB - Bath	124,965	3,273	2,975	3,637	96,063	2,553	2,321	2,836
TRY - Lira Turca	45,485	1,279	1,162	1,421	24,056	934	849	1,038
INR - Indian rupee	1,885,624	20,823	18,930	23,136	112,451	1,259	1,145	1,399
JPY - Yen Giapponese	25,066	153	139	170	11,420	75	68	83
CAD - Dollaro Canadese	0	0	0	0	51	35	32	39
MXN - Peso Messicano	124,211	6,261	5,694	6,959	100,352	4,159	4,756	5,813
AED - Dirham Emirati Arabi	846	213	193	236	602	152	138	168
VND - Dong Vietnamita	24,077,396	888	807	987	23,383,977	907	825	1,008
HUF - Fiorino Ungherese	32,695	83	75	92	35,353	93	84	103
CZK - Corona Ceca	11,169	445	404	494	9,996	417	379	463
KRW - Won Sudcoreano	100,523	68	62	76	0	0	0	0
MAD - Dirham Marocchino	48	4	4	5	511	47	42	52
TWD – Taiwan dollar	65,536	1,886	1,715	2,096	146,956	4,361	3,965	4,846
IDR - Indonesian rupee	817,431	48	43	53	0	0	0	0
TOTALE		**561,826**	**529,922**	**600,977**		**559,099**	**528,352**	**599,292**

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.

Profit before taxes	31.12.2024	31.12.2023

€/000	Current Forex in €	Forex +10%	Forex -10%	Current Forex in €	Forex +10%	Forex -10%
EUR - Euro	35,364	35,364	35,364	31,138	31,031	31,270
USD - Dollaro USA	17,921	16,292	19,913	26,368	23,971	29,298
CNY - Renminbi	346	314	384	1,351	1,228	1,501
BRL - Real	1,001	910	1,112	1,368	1,244	1,520
GBP - Sterlina Inglese	404	367	449	640	582	711
THB - Bath Thailandese	248	225	275	337	307	375
TRY - Lira Turca	366	332	406	329	299	366
INR - Rupia Indiana	2,877	2,616	3,197	422	383	469
JPY - Yen Giapponese	62	57	69	(92)	(84)	(102)
CAD - Dollaro Canadese	1,077	979	1,197	667	606	741
MXN - Peso Messicano	4,466	4,060	4,962	2,069	1,881	2,299
AED - Dirham Emirati Arabi	121	110	135	37	34	42
VND- Dong	12	11	14	(5)	(5)	(6)
HUF-fiorino ungherese, forint	120	109	133	64	58	71
KRW - Korean wong	(244)	(222)	(271)	(8)	(7)	(8)
MAD - Dirham marocchino	94	85	104	108	98	120
CSK - Czech Koruna	272	247	302	357	324	396
IDR – Indonesian Rupee	(203)	(185)	(226)	(251)	(228)	(279)
TWD - Dollaro Taiwanese	(50)	(46)	(56)	-	-	-
TOTAL	**64,253**	**61,627**	**67,463**	**64,899**	**61,722**	**68,782**

Market risk related to interest rate

The interest rate risk is the risk that the value of a financial instrument and/or the level of cash flows generated by it might change due to fluctuation in market rates of interest.
Exposure to the interest rate risk arises from the need to finance operating activities, in terms of manufacturing activities and financing the acquisition of businesses, as well as the employment of available liquidity. Changes in market interest rates may have a negative or positive impact on the Group's result for the period, indirectly affecting costs and returns on financing and investment operations.
As described above, the majority of the Group's loans are at a fixed rate. The Group has not put in place any significant hedging as, given the Group's high liquidity, it is believed that the risk of fluctuations in interest rates, also due to the limited funding, can still be adequately managed.
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 1% and 2% in interest rates.

Interest expenses on variable rate loan	31.12.2024	31.12.2023
Interest expenses on variable rate loan	1,352	836
Variable interest rate +2%	1,590	1,154
Variable interest rate +1%	1,842	964
Variable interest rate -1%	1,085	586
Variable interest rate -2%	832	396

Risks associated with economic conditions

The global macroeconomic landscape can have an impact on the Company's financial performance and standing. However, the Company's and its subsidiaries presence in different geographical areas makes it possible to mitigate the overall risk and to benefit from possible improvements in some areas compared to others.

In addition, as already described in detail, 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.
In the same way, the great geopolitical tensions surrounding the conflict between Russia and Ukraine, as well as the conflict in the Middle East which began in October 2023, may lead to significant international humanitarian and social crises with major impacts on the people in these countries, as well as on the global economy and on the Group. International sanctions, used as a deterrent for certain countries involved in the conflicts, have had a significant impact on global trade and have led to a sharp increase in production costs, particularly in terms of energy, which has fueled an inflationary spiral that central banks are seeking to control by further tightening monetary policy and increasing interest rates. The situation is constantly evolving and the Company is monitoring the markets closely to assess any impact it may have on the business.
However, it should be noted that the Group has limited exposure to the regions involved in the war (i.e. Ukraine, Russia, Belarus, Palestine and Israel) both in terms of sales and purchases; therefore, assuming that the impact of the conflict remains contained to those regions, this should not have a significant impact on Group performance.
These developments, which are extraordinary in nature and extent, have had and continue to have, direct and indirect repercussions on economic activity giving rise to an environment of general uncertainty and whose evolution and effects are unforeseeable. This macroeconomic landscape may also have inevitable repercussions on the other risks described below.
For a detailed description of the additional risks to which the Group is exposed — and in particular (i) Risks related to market performance, (ii) Product and component price risk, (iii) Supply chain risks, and (iv) Risks associated with climate change — see the section “Principal risks and uncertainties to which the Group is exposed” of the Directors’ Report.

Notes to the consolidated statement of financial position

[1] Property, plant and equipment

They amount to Euro 64,320 thousand at December 31, 2024 (Euro 50,887 thousand at December 31, 2023). They are composed as shown in the following tables, which also present the changes in 2024.

Category		31.12.2023	Change in cons. area	Additions	Disposals	Transl. diff.	Reclass.	Depr.	31.12.2024
Land and buildings	Historical cost	48,167	3,223	63	9	930	2,317	-	54,710
	Depr. fund	(15,918)	(177)	-	24	(483)	(58)	(1,355)	(17,966)
	Total	**32,249**	**3,046**	**63**	**34**	**447**	**2,259**	**(1,355)**	**36,744**
Plant and machinery	Historical cost	25,783	956	1,121	-	324	497	-	28,681
	Depr. fund	(16,229)	(440)	-	-	(304)	(467)	(764)	(18,203)
	Total	**9,555**	**517**	**1,121**	**-**	**19**	**30**	**(764)**	**10,478**
Industrial and commercial equip.	Historical cost	6,583	28	334	(131)	-	29	-	6,842
	Depr. fund	(5,839)	(13)	-	183	-	596	(1,006)	(6,080)
	Total	**743**	**14**	**334**	**51**	**-**	**625**	**(1,006)**	**762**
Other assets	Historical cost	28,932	447	1,108	(296)	701	281	-	31,174
	Depr. fund	(24,695)	(290)	-	319	(633)	152	(1,591)	(26,738)
	Total	**4,237**	**156**	**1,108**	**24**	**68**	**434**	**(1,591)**	**4,437**
Assets under constr. and advances	Historical cost	4,102	935	10,157	(54)	97	(3,337)	-	11,899
	Depr. fund	-	-	-	-	-	-	-	-
	Total	**4,102**	**935**	**10,157**	**(54)**	**97**	**(3,337)**	**-**	**11,899**
Total		**50,887**	**4,669**	**12,783**	**55**	**631**	**12**	**(4,715)**	**64,320**

Capital expenditures in 2024 totaled Euro 12,783 thousand, of which non-recurring totaling Euro 9,524 thousand and relating for Euro 1,291 thousand to the subsidiary FEA S.r.l. as part of the production area expansion, for Euro 6,732 thousand to the subsidiary Piovan Industrial Automation, related to the construction work on the new building in China, and for Euro 1,501 thousand to NuVu related to the construction of the new factory in India.

Other investments in 2024, concerning the purchase of molds and industrial and commercial equipment, are mainly attributable to the parent company, Piovan S.p.A. and to the US Group IPEG.

At December 31, 2024, 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.

The table below provides a regional breakdown of tangible assets:

€/000	31.12.2024	31.12.2023
EMEA	34,769	34,354
- of which Italy	33,660	33,354
NORTH AMERICA	11,817	11,644
- of which the United States of America	11,624	11,560
ASIA	16,472	3,589
SOUTH AMERICA	1,261	1,299
Total	**64,320**	**50,887**

[2] Right-of-use assets

Right-of-use assets at December 31, 2024, of Euro 16,511 thousand decreased on Euro 16,715 thousand for the previous year.

The increases in the item "Buildings" relate mainly to the recognition of a new lease for an office by Piovan Czech Republic and the expansion of space rented from the subsidiary FDM Gmbh and the extension of the current lease.
The increases in "Other assets" relate to new or renewed vehicle rental contracts for Piovan UK, Piovan GmbH and Piovan France.
Below is a table with the changes in the year for each class of Right-of-Use:

Category		31.12.2023	Additions	Disposals	Transl. Res.	Reclass.	Depr.	31.12.2024
Land and buildings	Historical cost	23,156	4,780	(3,797)	687	(25)	-	24,801
	Depr. fund	(8,434)	-	1,299	(231)	17	(3,089)	(10,438)
	Total	**14,722**	**4,780**	**(2,498)**	**456**	**(8)**	**(3,089)**	**14,363**
Other assets	Historical cost	3,717	1,206	(502)	**16**	**(54)**	-	4,383
	Depr. fund	(1,724)	-	391	(7)	54	(949)	(2,235)
	Total	**1,993**	**1,206**	**(111)**	**9**	**-**	**(949)**	**2,148**
Total		**16,715**	**5,986**	**(2,609)**	**465**	**(8)**	**(4,038)**	**16,511**

The geographic breakdown of right-of-use assets is shown below:

€/000	31.12.2024	31.12.2023
EMEA	10,038	8,891
- of which Italy	4,320	4,767
NORTH AMERICA	6,329	7,745
- of which the United States of America	6,100	7,387
ASIA	143	79
SOUTH AMERICA	-	-
Total	**16,511**	**16,715**

[3] Intangible assets

The item amounted to Euro 146,553 thousand at December 31, 2024 compared to Euro 120,315 thousand at December 31, 2023. The breakdown of the movements are as follows:

Category	31.12.2023	Change in cons. area	Add.	Disposals	Trans. Reserve	Depr.	Reclass	31.12.2024
Goodwill	61,863	13,849	-	-	2,939	-	-	78,651
Industrial patent and intellectual property rights	627	-	229	(10)	-	(444)	489	891
Concessions, licences, trademarks and similar rights	6,391	4	177	2	374	(590)	-	6,358
Other intangible assets	50,901	11,779	-	(160)	3,255	(5,444)	-	60,331
Assets under constr. and advances	533	-	648	(363)	(7)	-	(489)	322
Total	**120,315**	**25,632**	**1,054**	**(531)**	**6,561**	**(6,478)**	**-**	**146,553**

The changes in consolidated companies are due to the addition of NuVu to the consolidation scope and the allocation of the price paid, which (as previously indicated) concerned both intangible assets of finite useful life (customer list and backlog) and Goodwill.

The regional breakdown of intangible assets is as follows:

€/000	31.12.2024	31.12.2023
EMEA	20,434	21,115
- *of which Italy*	20,041	21,115
NORTH AMERICA	100,855	98,929
- *of which the United States of America*	100,855	98,929
ASIA	25,023	25
SOUTH AMERICA	241	247
Total	**146,553**	**120,315**

Goodwill at December 31, 2024 amounted to Euro 78,651 thousand compared to Euro 61,863 thousand at December 31, 2023.

Cash Generating Unit	31.12.2023	Change in cons. area	Decrease	Change in transl. Res.	31.12.2024
UnaDyn	3,388	-	-	216	3,604
Food	2,146	-	-	-	2,146
Energys	-	-	-	-	-
Doteco	15,695	-	-	-	15,695
Conair	28,289	-	-	1,773	30,062
Pelletron	5,031	-	-	320	5,351
Thermalcare	7,305	-	-	465	7,770
NuVu	-	13,849	-	166	14,015
Other	8	-	-	-	8
Totale	**61,863**	**13,849**	**-**	**2,939**	**78,651**

The goodwill mainly refers to the acquisition:

- of the US subsidiary Universal Dynamics Inc. (“Unadyn CGU") in 2008;
- of the controlling stake in Penta S.r.l. at the end of 2014, in Progema S.r.l. in 2006 and in FEA in 2019, “Food CGU”;
- of Doteco S.p.A. in 2020, “Doteco CGU”;
- of the IPEG group in 2022, divided into three CGU: “Conair”, “Pelletron”, “Thermal Care”;
- of NuVu, whose closing took place at the beginning of February 2024.

The amount of tax deductible goodwill totals Euro 1,197 thousand and is attributable to the IPEG group.

The increase in value on the previous year mainly relates to the allocation concerning the recent acquisition of NuVu. The difference between the price paid and the assets acquired and the liabilities assumed was allocated for INR 1,060,107 thousand (Euro 11,779 thousand at the acquisition date) to Intangible Assets of finite useful life (of which customer list for Euro 11,381 thousand and backlog for Euro 398 thousand, fully amortized at December 31, 2024) and to deferred taxes for INR 266,829 thousand (Euro 2,965 thousand at the acquisition date). The difference between the price paid and the fair value of the assets acquired and the liabilities assumed was allocated for INR 1,246,421 thousand (Euro 13,849 thousand at the acquisition date) to goodwill, calculated by measuring the non-controlling interests equity at fair value, as per the full goodwill method which the Company has decided to adopt.

In addition to goodwill, the figure includes the intangible assets recognized following the acquisition of the IPEG group, particularly in the form of know-how for a residual Euro 9,462 thousand, customer relationships for a residual Euro 38,623 thousand, Trademarks for a residual Euro 5,865 thousand, and Goodwill for Euro 43,183 thousand.

Details of impairment test

Goodwill is allocated to the Group's cash generating units, represented by the CGUs to which it refers.
The Group verifies annually impairments on goodwill, testing the CGU’s to which goodwill is allocated.
The Directors did not undertake impairment test on assets subject to amortization as they did not detect events or circumstances which can cause an impairment loss. The methods and results of the impairment test carried out are illustrated below.
The recoverable value of the CGUs to which the individual goodwill has been allocated has been verified through the calculation of the value in use, considered as the present value of the expected cash flows utilizing a rate which reflects the specific risks of the individual CGU’s at the valuation date (so-called Discounted Cash Flow method). Specifically:

- Cash flows from the 2025-2029 business plan were used for these CGUs, with regard to the 2025-2028 period. The business plans have been updated to take account of the Group’s planning processes and were approved by the Board of Directors on March 20, 2025. The assumptions underlying the forecast cash flows for each CGU take into account past experience, and the specific objectives of each CGU, which are consistent with current operating performance and the strategic actions implemented by the Group and the current macroeconomic outlook. In particular, management used the gross margin and EBITDA margin, based on historical performance and the best estimate of future operating costs and cash flows as a driver for the preparation of the forecast, as well as its own expectations of developments in the market in which the CGU operates.

- At the end of the explicit forecast period, a "normalized" cash flow was calculated, based on the last explicit forecast year, for the calculation of the terminal value.
- The discount rate was determined based on market analyses of the cost of money and specific risk of the operating segment (weighted average cost of capital, or WACC). For the WACC the cost of capital was determined on the basis of market returns on medium/long-term government bonds of the countries/markets to which the CGU refers observed during the last six months, adjusted by the market risk premium of each reference country reflecting the investment risk plus an additional risk premium.
- the growth rate (g) for the determination of cash flows beyond the explicit period (from 2028 onwards), which has been determined specifically for each CGU analyzed.

The values in use, based on discounted cash flows, supports the maintenance of the goodwill amounts recognized to the financial statements. The following table details the rates used and the estimated coverage:

31.12.2024					
CGU	Goodwill (€/000)	g rate	Pre-tax WACC	post-tax WACC	Cover (€/000)
UnaDyn	3,604	2.18%	13.38%	10.64%	38,845
Food	2,146	1.94%	12.30%	9.50%	63,174
Doteco	15,695	2.18%	12.90%	9.98%	25,006
Conair	30,062	2.14%	13.19%	10.43%	101,247
Pelletron	5,351	2.14%	13.14%	10.43%	19,579
Thermal Care	7,770	2.14%	13.24%	10.43%	66,995
NuVu	14,015	4.00%	15.75%	12.34%	1,622

Although the Directors consider the assumptions used to be reasonable and to represent the most probable scenarios on the basis of the available information, the result of the test may differ where a number of the above assumptions change significantly.

As a result, stress testing was conducted with particular regard to:

- the reduction in estimated EBITDA for the explicit period of the plans and for terminal value, assuming that the potential worsening of the macroeconomic landscape could have an impact on this period;
- the WACC.

in order to determine the maximum variation that each parameter must have (all other parameters remaining stable), beyond which there would be an impairment loss. As concerns the growth rate (g), reasonable changes in this rate have been identified that could result in an impairment loss.

31.12.2024			
CGU	EBITDA decrease	WACC equal to	g-rate equal to
UnaDyn	62.23%	29.69%	(*)
Food	(*)	(*)	(*)
Doteco	49.33%	18.83%	(*)
Conair	45.10%	19.62%	(*)
Pelletron	49.07%	19.23%	(*)
Thermal Care	66.34%	32.82%	(*)
NuVu	4.00%	12.75%	3.47%

(*) No plausible variations in these parameters were identified.

The impairment test is 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.

[4] Equity investments

At December 31, 2024, equity investments amounted to Euro 1,530 thousand, compared with Euro 11,426 thousand at December 31, 2023. The decrease on December 31, 2023 is due to the elimination of the equity investment in NuVu, which is now fully consolidated as a result of the acquisition of control in 2024. This transaction entailed the preliminary revaluation at fair value, calculated considering the value recognized to the non-controlling interests within the transaction, of the prior 50% share held. The consequent income of Euro 6,393 thousand was recognized in the statement of profit and loss in the period to “Profits/(Losses) from equity investments carried at equity” (Note [36]).
The item however increased due to the income recorded to the statement of profit and loss and referring to the measurement at equity of the associates.

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

Company	Registered office	%	31.12.2023	Increase / Decrease	Other movements	Change transl. reserve	31.12.2024
CMG S.p.A.	Budrio (BO)	20%	344	355	-	-	699
Penta Auto Feeding India Ltd	Mumbai (India)	50%	75	234	-	12	321
Nuvu Conair Private Ltd	Ahmedabad (India)	50%	10,529	6,393	(16,914)	(8)	-
Total invest. in affiliated companies and JV			**10,948**	**6,982**	**(16,914)**	**4**	**1,020**
Affinity			472	-	-	30	502
Toba Pnc	Seoul (Corea del Sud)	10%	-	-	-	-	-
Altri			6	-	2	-	8
Total other investments			**478**	-	**2**	**30**	510
Total			**11,426**	**6,982**	**(16,912)**	**34**	**1,530**

Equity investments in associates and joint ventures as indicated in the table above have been measured, as indicated above, at equity.
Other equity investments have been measured at fair value through profit or loss.

Following the sale of the 41% stake in Toba PNC, the Group continued to hold a minority interest of 10%. The value of the investment has been fully written down.

Investments in associated companies

With regard to the shareholding in CMG S.p.A., income of Euro 355 thousand has been recognized following the equity valuation based on the provisional results at December 31, 2024.

Investments in joint ventures

The investment in the joint venture Penta Auto Feeding India Ltd. increased by Euro 234 thousand following the valuation on the results reported up to March 31, 2024.

[5] Other non-current assets

At December 31, 2024, these amounted to Euro 617 thousand compared to Euro 570 thousand at December 31, 2023; they mainly refer to various security deposits paid by Group companies on utilities and lease contracts for buildings where Group companies have their headquarters.

[6] Deferred tax assets and liabilities

Deferred tax assets amounted to Euro 13,542 thousand at December 31, 2024, compared to Euro 11,913 thousand at December 31, 2023. 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 include assets arising from the valuation of tax losses, as illustrated below. Unvalued tax losses are of an insignificant amount. Deferred tax liabilities amounted to Euro 15,781 thousand at December 31, 2024, compared to Euro 12,822 thousand at December 31, 2023. The main changes concern the recognition of deferred taxes related to the gains on the purchase price allocation of the IPEG group, in the amount of Euro 12,404 thousand at December 31, 2024.
The changes in the account were as follows:

€/000	31.12.2023	Change in consolidation area	Translation reserve change	Income statement effect	31.12.2024
Deferred tax assets	11,913	206	120	1,303	13,542
Deferred tax liabilities	(12,822)	(2,965)	(791)	797	(15,781)
Total	**(909)**	**(2,759)**	**(671)**	**2,100**	**(2,239)**

The changes compared to the fiscal amounts resulting in deferred tax assets and liabilities are as follows:

€/000	31.12.2024	31.12.2024	31.12.2023	31.12.2023
Deferred tax assets	Taxable income	Deferred tax assets	Taxable income	Deferred tax assets
Consolidation adjustments to intragroup inventories	5,483	1,316	4,848	1,352
Unrealized exchange differences	-	-	1,075	258
Loss exchange difference	-	-	-	-
Inventory obsolescence provision	11,663	3,143	10,242	2,721
Bad debt provisions	7,720	1,955	4,247	1,091
Third party installation fund	-	-	114	32
Risk provision	976	276	647	179
Provision for product warranties	3,255	831	3,012	762
Supplementary customer indemnity	74	5	190	24
Director's unpaid emoluments	29	7	36	9
Adoption of IFRS 15	(4,211)	(679)	(1,567)	(116)
Adoption of IFRS 16	362	91	(33)	(11)
Adoption of IAS 19	784	195	257	62
Accrued liability	8,380	2,378	8,312	2,187
Costs and bonuses to personnel	3,068	831	1,771	488
Costs not capitalized but not tax deductible	9,693	2,403	7,733	1,896
Tax deductible goodwill	1,197	280	1,456	340
Differences on depreciation	(3,387)	(835)	(3,781)	(974)
Others	5,219	1,345	6,562	1,614
Total Deferred tax assets	**50,305**	**13,542**	**45,121**	**11,914**

€/000	31.12.2024	31.12.2024	31.12.2023	31.12.2023
Deferred tax liabilities	Taxable income	Deferred tax liabilities	Taxable income	Deferred tax assets
Intangibles from PPA	62,550	15,146	52,154	12,178
Adoption of IAS 17	19	6	(9)	(2)
Adoption of IAS 37	24	7	-	-
Adoption of IFRS 15	398	107	156	41
Other differences	1,930	516	2,237	604
Total Deferred tax liabilities	**64,920**	**15,781**	**54,538**	**12,821**

[7] Inventories

At December 31, 2024, they amounted to Euro 88,425 thousand compared to Euro 85,341 thousand at December 31, 2023; the breakdown is shown below:

Inventories	31.12.2024	31.12.2023
Raw materials	42,808	43,358
Semi-finished products	28,169	23,979
Finished goods	29,565	29,984
Progress payments	4,193	3,235
Allowance for inventory write-down	(16,310)	(15,215)
Inventories	**88,425**	**85,341**

Inventories increased on December 31, 2023, mainly due to the consolidation of NuVu, whose inventory contributed Euro 4,546 thousand at December 31, 2024. Net of this effect, inventories decreased thanks to an improved management of inventories compared to December 31, 2023, and are consistent with provisioning needs and business trends.
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 statement of profit and loss is classified under Purchases of raw materials, components, goods and change in inventories.

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

At December 31, 2024 the item Assets for contract work-in-progress amounted to Euro 16,392 thousand, compared with Euro 8,828 thousand at December 31, 2023.
Liabilities for contract work-in-progress amounted to Euro 3,136 thousand at December 31, 2024, compared with Euro 4,748 thousand at December 31, 2023.
The item refers to work-in-progress on contracts of the subsidiaries Penta S.r.l., FEA and Pelletron Corp.
The following table shows the amount due from customers net of the relative advance payments (included under Assets for contract work-in-progress), and the amount due to customers, net of the relative advance payments (included under Liabilities for contract work-in-progress):

Contract assets for work in progress	31.12.2024	31.12.2023
Measurement of contracts in progress (costs incurred added to profits recognized)	40,169	20,539
Progress payments received	(23,777)	(11,710)
Amounts due from customers	**16,392**	**8,828**

Contract liabilities for work in progress	31.12.2024	31.12.2023
Measurement of contracts in progress (costs incurred added to profits recognized)	7,700	24,318
Progress payments received	(10,836)	(29,066)
Amounts due to customers	**(3,136)**	**(4,748)**

The increase of Assets for contract work in progress and the decrease in Liabilities for contract work in progress compared to December 31, 2023, is due to the progress made on a number of significant contracts related mainly to the subsidiaries Penta S.r.l. and FEA.
Revenues from contract work-in-progress amounted to Euro 37,853 thousand at December 31, 2024, and related mainly to Penta S.r.l., FEA and Pelletron. Revenues recognized in 2023 related to orders that, at December 31, 2023, were liabilities for contract work-in-progress amounted to Euro 3,425 thousand.

[9] Trade receivables

The item amounts to Euro 79,975 thousand at December 31, 2024, compared to Euro 79,980 thousand at December 31, 2023. This item, which represents the exposure to third parties, is broken down as follows:

Trade receivables (€/000)	**31.12.2024**	**31.12.2023**
Gross trade receivables	87,854	85,655
Provision for bad debt	(7,880)	(5,675)
Trade receivables	**79,974**	**79,980**

Receivables at December 31, 2024, gross of the provision, amounted to Euro 87,854 thousand and increased by Euro 2,199 thousand (2.6%) compared to the end of 2023. This increase is substantially attributable to the consolidation of NuVu.
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 Company, based on past experience for similar receivables, current and historic amounts overdue, losses incurred, receipts, careful monitoring of the credit quality and projections on economic and market conditions, with the information known at the reporting date.
The annual provision is included under Other operating costs.
The following table shows the value of receivables at December 31, 2024, compared to the previous year, by maturity bracket and the relevant portion of the doubtful debts provision.

Receivables and bad debt	**31.12.2024**		**31.12.2023**	
€/000	***Receivables***	***Bad Debt***	***Receivables***	***Bad Debt***
Receivables due to expire	44,472	(963)	56,599	(377)
Receivables overdue whitin 30 days	19,560	(196)	9,777	(498)
Receivables overdue between 1 and 12 months	19,460	(2,360)	15,763	(1,334)
Receivables overdue over 12 months	4,362	(4,362)	3,515	(3,466)
Total	**87,854**	**(7,880)**	**85,654**	**(5,675)**

Receivables by geographical area are as follows:

Trade Receivables (€/000)	**31.12.2024**	**31.12.2023**
EMEA	32,850	31,454
of which Italy	*16,251*	*15,421*
North America	25,403	35,307
ASIA	17,971	8,942
SOUTH AMERICA	1,788	4,241
AFRICA	1,962	35
Receivables	**79,974**	**79,979**

Compared to the previous year, the doubtful debt provision changed mainly because of further accrual made during the year. The movements in the doubtful debt provision are shown below.

Provision for bad debt (€/000)	31.12.2024	31.12.2023
Opening balance	**5,675**	**5,636**
Release	-	(410)
Accruals	2,247	1,351
Utilisations	(91)	(494)
Change in consolidation area	76	-
Exchange rate differences	128	(108)
Riclassifications	(154)	(300)
Assets held for sale and disposal groups	-	-
Closing balance	**7,880**	**5,675**

[10] Current financial assets

They amounted to Euro 6,556 thousand at December 31, 2023 and included bonds purchased in order to invest available financial resources. These instruments matured in the first quarter of 2024 and therefore the value of this account almost entirely reduced to zero. The residual amount is related to the fair value of foreign currency derivatives ownd by Universal Dynamics Inc.

[11] Tax receivables

They amounted to Euro 9,121 thousand at December 31, 2024, compared to Euro 6,267 thousand at December 31, 2023. VAT receivables mainly refer to the parent company Piovan S.p.A. and the subsidiaries Penta S.r.l. and Progema S.r.l.

€/000	31.12.2024	31.12.2023
VAT receivables	3,146	2,983
Other current tax assets	5,975	3,284
Tax receivables	**9,121**	**6,267**

[12] Other current assets

The item amounted to Euro 11,866 thousand at December 31, 2024, compared to Euro 13,163 thousand at December 31, 2023. A breakdown follows:

€/000	31.12.2024	31.12.2023
Advances to suppliers	8,509	9,009
Receivables from parent	-	-
Prepayments and accrued expenses	2,423	2,596
Other receivables	934	1,558
Other current assets	**11,866**	**13,163**

[13] Cash and cash equivalents

The item amounts to Euro 82,660 thousand at December 31, 2024, compared to Euro 92,785 thousand at December 31, 2023.

€/000	31.12.2024	31.12.2023
Current accounts and post office deposits	78,992	79,246
Cash equivalent	3,570	13,500
Cash	98	39
Cash and cash equivalents	**82,660**	**92,785**

Current accounts and postal deposits are classified as current assets, as highly liquid and convertible into cash with an exchange rate risk that is considered not significant.
The “Cash equivalents” account includes a time deposit that can be divested rapidly.
The Group’s net financial position at the end of 2024 reported a net debt position of Euro 32,395 thousand (including Euro 82,660 thousand in cash and cash equivalents, Euro 108 thousand in current financial assets, Euro 37,999 thousand in current debt, and Euro 77,164 thousand in non-current debt), improving from Euro 57,753 thousand at December 31, 2023. Operating activities offset the absorption of cash from the approval and payment of Parent Company dividends in May 2024 for approximately Euro 13,804 thousand, and the capital expenditure in 2024 of approximately Euro 13,361 thousand, in addition to the instalments paid on medium/long-term loans.
For an analysis of the variations in cash and cash equivalents, reference should be made to the statement of cash flow.

At December 31, 2024 there were no restrictions on the availability of the Group's current accounts, save for minor amounts given as cash collateral for certain performance bonds.

[14] Equity attributable to the owners of the Parent

Equity is made up as follows:

€/000	31.12.2024	31.12.2023
Share capital	6,000	6,000
Legal reserve	1,200	1,200
Reserve for own shares in portfolio	(3,012)	(2,489)
Translation reserve	6,730	14
Other Reserves and retained earnings	126,820	114,612
Net profit (loss)	44,512	49,400
Equity attributable to the owners of the parent	**182,250**	**168,737**

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.

The Company and the Group as at December 31, 2024 hold 2,474,475 treasury shares, equal to 4.62% of the share capital of Piovan S.p.A., directly through Piovan S.p.A. with a book value of Euro 3,012 thousand at December 31, 2024. The change from the previous year is related to the assignment of treasury shares in January 2024 in relation to the second cycle of the 2020-2022 Performance Shares Plan. For this cycle, 161,113 shares were assigned to the beneficiaries of the plan, of which 68,049 were simultaneously withheld by the Company in order to meet the beneficiaries' fiscal obligations, in the form of a substitute tax, related to this assignment.

Below is information regarding the incentive plans that the Group has allocated to its employees:

2020-2022 Performance Shares Plan - third cycle

The plan provides for the granting, to a number of executives of the parent company, of the right to receive Piovan S.p.A. shares. A total of 165,180 shares have vested. The total value is Euro 582 thousand, whereas the amounts vested at December 31, 2024, totaled Euro 582 thousand. These shares were allocated to the beneficiaries of the Plan in February 2025. At the same time, the Company withheld 68,925 shares in order to fulfill, as withholding agent, the beneficiaries' tax obligation related to this grant.

2020-2022 Phantom Stock Option Plan - third cycle

The plan provided for the awarding of a cash prize commensurate with the value of the Piovan S.p.A. shares to Executive Directors and Senior Executives belonging to Piovan Group companies. In January 2025, partly in view of the completion of the transaction for the acquisition of the Piovan Group by Automation System, it was resolved by the Board of Directors to convert it to a share plan. Therefore, in February 2025, 170,450 shares were allocated to the beneficiaries and at the same time the Company withheld 69,612 shares in order to fulfill, as withholding agent, the beneficiaries' tax obligation related to this grant.

The value of the Plan at December 31, 2024 is Euro 2,386 thousand, of which Euro 1,525 thousand is recognized at cost in 2024. In addition, in the financial statements at December 31, 2024, the payable recognized until September 30, 2024 with reference to these plans was reclassified to equity as a reduction of the treasury share reserve.

2023-2025 Long Term Incentive Plan

On April 24, 2023, the Shareholders' AGM approved the new stock grant plan for ordinary company shares, called the "2023-2025 Long Term Incentive Plan" (the "Plan"). The Plan is divided into three cycles (the first relating to the 2023- 2025 vesting period, the second relating to the 2024-2026 vesting period, and the third relating to the 2025-2027 vesting period) and provides for the allotment of ordinary shares of Piovan S.p.A. for each cycle. With reference to the first and second cycle, the rights were granted to managers of Piovan S.p.A., but also of its subsidiaries, and the number of rights at maturity was estimated at approximately 308,162.

The Plan regulation included the possibility of being able to convert it from a cash settled plan to an equity settled plan. In addition, the same regulation stipulates, that if a change of control transaction is carried out, the beneficiaries have the right to the allocation (including through the payment of the relevant monetary consideration) of the shares in advance and regardless of the fulfillment of the conditions stipulated in the Plan regulation.

In January 2025, in view of the completion of the transaction for the acquisition of the Piovan Group by Automation System, a resolution was passed to accelerate the plan and to convert it from equity settled to cash settled for only the employee beneficiaries of the foreign subsidiaries, and for the employees of the Italian subsidiaries who were allocated shares linked only to the employment retention condition. Therefore:

- With regard to the first and second cycle disbursed in shares, in February 2025, 191,420 shares were granted and at the same time the Company withheld 69,637 shares in order to fulfill, as withholding agent, the beneficiaries' tax obligation related to this grant. The value of the Plan at December 31, 2024 was Euro 1,096 thousand, of which Euro 730 thousand was recognized to the 2024 statement of profit and loss.
- With regard to the first and second cycle disbursed in cash, the value of the Plan at December 31, 2024 was Euro 1,634 thousand, of which Euro 1,524 thousand was recognized to the 2024 statement of profit and loss.

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

The item Other reserves and retained earnings mainly includes the other profit and capital reserves of the Parent Company, in addition to the consolidated profit for previous years and the effects of adjustments resulting from the adoption of international accounting standards.

[15] Equity attributable to non-controlling interests

The non-controlling interest equity at December 31, 2024 amounted to Euro 21,653 thousand, compared to Euro 2,600 thousand at December 31, 2023. The account mainly includes the minority interests in the subsidiaries. FDM GmbH and NuVu.

The changes compared to December 31, 2023 were as follows:

- the change to the consolidation scope following the full consolidation of NuVu;
- the result of the subsidiaries FDM Gmbh and NuVu attributable to non-controlling interests and amounting to a profit of Euro 1,822 thousand.

[16] Basic and diluted earnings per share

At December 31, 2024, the shares in circulation numbered 53,600,000 and the treasury shares held by Piovan S.p.A. amounted to 2,474,475.

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. As mentioned in relation to the Group's equity, during 2024 the number of treasury shares has changed due to the assignment that took place in January 2024 as foreseen by second cycle of the 2020-2022 Performance Shares Plan. In addition, it should be noted that in the context of the 2020 - 2022 Performance Shares Plan and the 2023-2025 Long Term Incentive Plan, there are ordinary shares that have been assigned as a result of the acceleration mechanism described above, 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:

Basic earnings per share	31.12.2024	31.12.2023
Net Profit Attributable to Owners of the Parent (in thousands of Euros)	44,512	49,400
Weighted average number of ordinary shares (in thousands of units)	51,118	50,888
Basic earnings per share (in Euros)	**0.87**	**0.97**

The diluted earnings per share is as follows:

Diluted earnings per share	31.12.2024	31.12.2023
Net Profit Attributable to Owners of the Parent (in thousands of Euros)	44,512	49,400
Weighted average number of ordinary shares (in thousands of units)	51,746	51,356
Diluted earnings per share (in Euros)	**0.86**	**0.96**

[17] Current and non-current financial liabilities

The account is broken down as follows:

Current financial liabilities	31.12.2024	31.12.2023
Short-term bank borrowings	1,342	666
Current portion of long-term loans	32,462	36,567
Other loans and borrowings	4,195	23,240
Current financial liabilities	**37,999**	**60,473**

Non-current financial liabilities	31.12.2024	31.12.2023
Medium to long-term bank loans	62,376	79,624
Other loans and borrowings	13,890	14,497
Non-current financial liabilities	**76,266**	**94,121**

"Other current financial payables" decreased significantly following the settlement of the earnout, which was paid in April 2024, as further described in the section "Financial performance of the Group"

A breakdown by contract is provided below of "Medium to long-term bank loans" and the "Current portion of medium to long-term loans" at December 31, 2024, and December 31, 2023, as well as the main features of the bank loans by maturity:

					31.12.2024			31.12.2023		
Curr.	Original amount (EUR)	Maturity	Interest rate	Terms	Residual debt	Current	Non-current	Residual debt	Current	Non-current
EUR	7,000	03/05/2024	Fixed	0.54%	-	-	-	883	883	-
EUR	5,000	05/02/2025	Variable	Euribor 6m+0,65%	500	500	-	1,500	1,000	500
EUR	7,000	07/04/2024	Variable	Euribor 6m+0,85%	-	-	-	875	875	-
EUR	2.000	24/06/2023	Fixed	0.35%	-	-	-	-	-	-
EUR	20,000	14/10/2025	Fisso	0.67%	4,000	4,000	-	8,000	4,000	4,000
EUR	4,125	23/12/2028	Variable	Euribor 6m+0,6%	2,357	589	1,768	2,946	589	2,357
EUR	5,000	05/05/2023	Fixed	0.01%	-	-	-	-	-	-
EUR	10,000	22/11/2024	Fixed	0.25%	-	-	-	3,342	3,342	-
EUR	100,000	21/01/2028	Fixed	1.34%	65,000	20,000	45,000	85,000	20,000	65,000
EUR	10,000	20/06/2025	Variable	Euribor 6m+0,80%	1,748	1,748	-	5,127	3,378	1,749
EUR	10,000	15/05/2027	Variable	Euribor 6m+0,75%	6,250	2,500	3,750	8,750	2,500	6,250
USD	14,081	20/06/2029	Variabile	SOFR 6m+1,1%	12,995	2,888	10,107	-	-	-
CNY	1,144	31/07/2033	Variabile	LPR - 75 bsp (3,2% in 2024)	1,911	-	1,911	-	-	-
Bank loans					**94,760**	**32,225**	**62,536**	**116,423**	**36,567**	**79,856**
EUR	741	30/06/2031	Fixed	0.18%	611	94	517	704	93	611
Other					**611**	**94**	**517**	**704**	**93**	**611**
Total					**95,371**	**32,318**	**63,053**	**117,127**	**36,660**	**80,467**

Loans are recognized at amortized cost and include arrangement expenses of Euro 160 thousand recognized as a reduction to the residual debt.

Financial liabilities changed during the year as follows:

€/000	Current financial liabilities				Non-current financial liabilities		
	Short-term bank borrowings	Current portion of long-term loans	Other loans and borrowings	Total current financial liabilities	Medium to long-term bank loans	Other loans and borrowings	Total non-current financial liabilities
31.12.2023	**666**	**36,567**	**23,240**	**60,473**	**79,624**	**14,497**	**94,121**
Disbursements/(Refunds)	676	(34,728)	(25,016)	**(59,068)**	13,120	-	**13,120**
Change in translation reserve	-	255	1,591	**1,846**	-	396	**396**
Increase/(decrease) for lease	-	-	844	**844**	-	2,533	**2,533**
Reclass. from non-curr. to curr.	-	30,368	3,536	**33,904**	(30,368)	(3,536)	**(33,904)**
31.12.2024	**1,342**	**32,462**	**4,195**	**37,999**	**62,376**	**13,890**	**76,266**

The information required by IFRS 7 regarding future cash flows by maturity related to financial liabilities is presented under Financial Risks.

The purchase, on January 28, 2025, by Automation System S.p.A. of a 64.82% stake in the share capital of Piovan S.p.A. resulted in a change of control of Piovan Group. This circumstance represents one of the early repayment clauses of the loans signed by Piovan S.p.A.. The Parent Company requested and obtained waivers from all the lending banks in terms of the early repayment, extending the maturity to April 30, 2025. This timeframe is consistent with the Company's delisting process. Subsequently, credit lines guaranteed by the banks that are financing the entire acquisition transaction by Automation System S.p.A. will be made available to the Group to replace the currently existing lines. Specifically, an amortizing credit line of up to Euro 85.000.000 and a revolving credit line of up to euro 80.000.000 million will be made available to refinance the existing debt at the Piovan S.p.A. and Group level, as well as the related transaction costs.

[18] Employee benefit plans

Employee liabilities at December 31, 2024 amounted to Euro 5,619 thousand, compared to Euro 5,635 thousand at December 31, 2023.
The item includes (Euro 5,367 thousand at December 31, 2024 and Euro 5,527 thousand at December 31, 2023) the liabilities for the Post-employment benefits provision recorded in the companies of the Group qualifying as defined benefit plans according to IAS 19 and thus subject to actuarial calculation.

Defined Benefit Plan	31.12.2024	31.12.2023
Opening balance	**5,527**	**5,363**
Accrual	1,950	1,976
Employee benefits paid	(786)	(565)
Transfer to pension funds and INPS treasury	(1,539)	(1,605)
Translation changes	147	165
Interest cost	115	193
Actuarial reserve change	(14)	-
Other movements	(33)	-
Closing balance	**5,367**	**5,527**

The remaining part of the balance (Euro 252 thousand at December 31, 2024 and Euro 108 thousand at December 31, 2023) concerns employee benefits paid by foreign branches individually and in aggregate not significant.

Below are the actuarial assumptions underlying the determination of liabilities for employee benefit plans, comparing those used in the previous year.

	31.12.2024	31.12.2023
Annual discount rate	3.38%	3.17%
Annual inflation rate	2.00%	2.00%
Annual rate of increase in employee severance indemnity	3.00%	3.00%
Mortality rate	ISTAT 2016 Tables	ISTAT 2016 Tables
Retirement age	100% at the achievement of the AGO pension fund requirements	100% at the achievement of the AGO pension fund requirements
Advances rate	2.80%	2.80%
Turnover rate	1% (based on historical company data)	1% (based on historical company data)

As required by the related IFRS 7, the following is a sensitivity analysis showing how the liability would change as the discount rate and inflation change.

	31.12.2024	31.12.2023
Discount rate +50bp	(252)	(262)
Discount rate -50bp	272	284
Inflation rate +50bp	194	204
Inflation rate -50bp	(184)	(192)

[19] Provisions for risks and charges

The provision for risks and charges at December 31, 2024 amounted to Euro 8,233 thousand, compared to Euro 5,486 thousand at December 31, 2023. The composition and the movements of the item are shown in the following table:

€/000	31.12.2023	Change in cons. area	Accruals	Releases/Utilizations	Change in translation reserve	Reclass.	31.12.2024
Provision for legal and tax risks	706	-	2,960	(210)	44	-	3,500
Provision for product warranties	3,015	192	493	(312)	133	-	3,521
Provision for agents' termination benefits	212	-	92	(106)	-	5	203
Pension provision	57	-	-	-	-	-	57
Other provisions for risks	1,497	-	342	(891)	5	-	953
Provisions for risks and charges	**5,486**	**192**	**3,887**	**(1,519)**	**182**	**5**	**8,233**

The provision for risks and charges at December 31, 2024 totaled Euro 2,747 thousand.

The provision for legal and tax risks at December 31, 2024 includes a provision set aside by the US subsidiary for a total amount of USD 420 thousand (Euro 404 thousand) against a potential liability linked to indirect taxation in various states. Movements also included the allocation to the provision for tax risks and of the relative legal charges, as better outlined in the "Significant events in the year" section.

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

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

The item other risk provisions includes:

- an estimate of the charges necessary for the relocation of Piovan Plastic Machinery to the new plant;
- a provision for the remainder that represents the best estimate of the costs needed to fulfil existing commercial contracts (net of related economic benefits).

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

At December 31, 2024, these liabilities amounted Euro 26,974 thousand and were fully classified to non-current liabilities. This amount recognized upon the acquisition of control of NuVu Ltd. includes the valuation of Put Options granted to NuVu's minority shareholders.

The contractual agreements with the selling shareholders, who as a result of the sale of 1% retained a 49% stake in the company, include a Put/Call Option mechanism for third-party shareholders to exit in two tranches to be exercised between 2029 and 2032. Specifically, the contract stipulates:

- a "First Put /Call Option", whereby the third-party shareholders can exercise a put option and Piovan S.p.A. can exercise a call option, of the shares held by the third-party shareholders, corresponding to 24.5% of NuVu's share capital, in the period between April 1, 2029 and November 30, 2029. Where not exercised, the right for both parties lapses.
- a "Second Put /Call Option", whereby the third-party shareholders can exercise a put option and Piovan S.p.A. can exercise a call option, of the shares held by the third-party shareholders, corresponding to 24.5% of NuVu's share capital, in the period between April 1, 2032 and November 30, 2032. Where not exercised, the right for both parties lapses.

The sale price of the shares is determined on the exercise of the options, based on certain operating and financial parameters set out in the agreements between the parties.

In accordance with IAS 32 (paragraph 23), the liabilities were measured at fair value as of the transaction date, which is the present value of the sales price of the shares that will be determined when the options are exercised. The discount rate used was approximately 3.86%.

These options have been recognized as a balancing entry in Group equity, in view of the fact that the risks and benefits on the remaining 49% stake remain with the minority interests. The Group also continues to recognize the non-controlling interests in the result for the year and in equity until the put option is exercised.

Subsequent changes in the fair value of the liability are recognized in the statement of profit and loss. At the time of initial recognition, the fair value was estimated at Euro 26,174 thousand, while at December 31, 2024 was 26,974, due in part to NuVu's good performance in 2024 and the updated plan underlying the valuation. The difference between the fair value as of the date of initial recognition and that as of December 31, 2024 was recognized to the statement of profit and loss under the specific item "Gains (losses) on liabilities for options granted to non-controlling interests".

The book value of the liabilities for put options described above represent the best estimate, at each reference date, of their present value. 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.

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.

[21] Other non-current liabilities

At December 31, 2024, these amounted to Euro 898 thousand compared to Euro 2,500 thousand at December 31, 2023, and are represented by non-current tax payables of the subsidiaries Piovan Do Brasil and Piovan Plastic Machinery. At December 31, 2023, payables to staff included incentive plans to staff reclassified under other current liabilities.

€/000	31.12.2024	31.12.2023
Payables to employees	28	1,759
Tax payables	870	741
Other current liabilities	**898**	**2,500**

[22] Trade payables

They amounted to Euro 75,059 thousand at December 31, 2024, compared to Euro 71,668 thousand at December 31, 2023. The increase in the item compared to December 31, 2023 is substantially attributable to the consolidation of NuVu and amounts due to suppliers employed in the construction of the new factory in China.

[23] Advances from customers

At December 31, 2024, Advances from customers amounted to Euro 37,220 thousand, compared to Euro 37,445 thousand at December 31, 2023. This item refers to advances received by customers and relating to contracts where performance obligations are met at a point in time.

[24] Tax liabilities and social security contributions

They amount to Euro 12,038 thousand at December 31, 2024, compared to Euro 11,388 thousand at December 31, 2023. The account is broken down as follows:

€/000	31.12.2024	31.12.2023
Social security contributions	4,329	4,372
VAT liabilities	3,038	2,954
Tax withholdings for employees	2,028	1,910
Income tax liabilities (IRES and IRAP)	2,633	2,152
Others	10	-
Tax liabilities and social security contributions	**12,038**	**11,388**

[25] Other current liabilities

They amounted to Euro 28,584 thousand at December 31, 2024, compared to Euro 27,122 thousand at December 31, 2024. The account is broken down as follows:

€/000	31.12.2024	31.12.2023
Payables to employees	16,962	18,428
Payables to parent company	776	410
Accrued income and deferred expense	4,059	4,386
Other payables	6,696	3,898
Other current liabilities	**28,493**	**27,122**

Employee payables refer to wages and salaries and accruals for vacation and leave accrued and include also the payables for incentive plans.
Payables to parent companies mainly refer to the parent company Piovan S.p.A. and concern estimated current taxes based on performance for the period in accordance with the tax consolidation contract in place with the parent company, Pentafin S.p.A.. Accruals and deferred income include accrued expenses for the period and deferred income related to future periods.

Notes to the Consolidated Statement of Profit and Loss

With regards to all statement of profit and loss items, FY 2024, whose figures are presented for comparative purposes, only includes operations for 11 months of NuVu.

[26] Revenues

Revenues amounted to Euro 561,826 thousand in 2024, compared to Euro 559,099 thousand in 2023, an increase of 0.5%. 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:

€/000	2024(*)	%	2023	%	Change	Change %
Technical Polymers	422,510	*75.2%*	430,098	*76.9%*	(7,588)	*(1.8%)*
Food & Industrial Applications	51,384	*9.1%*	42,451	*7.6%*	8,933	*21.0%*
Services	87,932	*15.7%*	86,550	*15.5%*	1,382	*1.6%*
Revenue	**561,826**	***100.0%***	**559,099**	***100.0%***	**2,727**	***0.5%***

(*) NuVu has been included in the consolidation scope as of February 1, 2024.

Part of the revenue of the Technical Polymers Systems and the Food and Industrial Applications 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 “Accounting policies” section. These revenues amounted to Euro 37,853 thousand in 2024, compared to Euro 32,122 thousand in 2023. Such revenues mainly relate to the subsidiaries Penta S.r.l., Fea Ptp and Pelletron Inc, belonging to the IPEG Group.
The breakdown of revenue by geographical area is as follows:

€/000	2024(*)	%	2023	%	Change	Change %
EMEA	197,048	*35.1%*	185,179	*33.1%*	11,869	*6.4%*
ASIA	70,090	*12.5%*	53,887	*9.6%*	16,203	*30.1%*
NORTH AMERICA	277,596	*49.4%*	299,975	*53.7%*	(22,379)	*(7.5%)*
SOUTH AMERICA	17,092	*3.0%*	20,057	*3.6%*	(2,965)	*(14.8%)*
Revenue	**561,826**	***100.0%***	**559,099**	***100.0%***	**2,727**	***0.5%***

(*) NuVu has been included in the consolidation scope as of February 1, 2024.

Revenues in EMEA include revenues in Italy which amounted to Euro 49,255 thousand in 2024 and Euro 51,184 thousand in the previous year.
For further information, reference should be made to the “Group operating performance” section.

[27] Other revenue and income

Other revenue amounts to Euro 9,939 thousand, a decrease from the Euro 11,422 thousand of 2023. This item is broken down as follows:

€/000	2024	2023
Accessory transport services for sales	7,339	6,559
Machinery leases	68	76
Grants	103	1065.72
Contingency	635	670
Gains for disposal of tangible and intangible assets	46.87	53.58
Insurance compensation	16	1018.37
Agency commissions	61.75	38.19
Increase in fixed assets for internal works	3.23	91.38
Other	1,666	1,850
Other revenues and income	**9,939**	**11,422**

Accessory transport services for sales mainly refers to revenues from transport ancillary services related to sales transactions with customers.

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

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

Insurance premiums included at December 31, 2023 an insurance claim of Euro 1,018 thousand received by a subsidiary against damages incurred on an order under construction.

Other Revenue mainly includes recharges and penalties applied to customers.

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

This item amounted to Euro 245,583 thousand in 2024, compared to Euro 248,653 thousand in the previous year. This item is broken down as follows:

€/000	2024	2023
Costs of raw materials, components and goods	234,362	233,629
Costs of consumables	8,976	9,243
Change in raw materials and goods	1,537	1,910
Change in finished goods and semi-finished products	708	3,872
Costs of raw materials, components and goods and changes in inventories	**245,583**	**248,653**

This item decreased on FY 2023 by approximately 1%. As a percentage of Total revenue and income, the item decreased from 43.6% in 2023 to 43.0% in 2024 and therefore was substantially stable.

[29] Service costs

Service costs amounted to Euro 108,368 thousand in 2024, compared with Euro 108,067 thousand in 2023, down Euro 0.6%.

This item is broken down as follows:

€/000	2024	2023
Outsourcing	32,545	36,227
Transport	16,001	15,499
Business trips and travel	8,135	6,959
Agency commissions	14,006	16,213
Fees to directors, statutory auditors and independent auditors	2,340	2,853
Consultancies	7,207	5,377
Maintenance and repairs	5,684	4,766
Marketing and advertising	4,080	3,897
Utilities	2,577	2,546
Insurance	2,645	2,530
Telephone and connections	985	979
Other costs for services	6,945	6,119
Rental expenses	2,560	2,265
Leases	168	232
Hires	1,489	1,605
Services	**108,368**	**108,067**
of which non-recurring	1,581	435

The most significant service costs concern the parent company Piovan S.p.A. and the subsidiaries Universal Dynamics, Penta S.r.l. and the IPEG Group, and the total value of the item is substantially in line with that of the previous year. As a percentage of Total revenue and income, the item decreased from 18.9% in 2023 to 18.6% in 2024.

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

- outsourcing costs amounting to Euro 32,545 thousand in 2024 (30.3% of total service costs) determined by the production methods of the Group, which concentrates internally processing and high value added and core activities. In 2023, this item amounted to Euro 36,227 thousand (33.5% of total Service Costs). This change relates to a different product mix and sales trends in North America compared to other countries.
- transport costs on purchases and sales, which totaled Euro 16,001 thousand in 2024, equal to 14.9% of service costs, compared to 14.3% for 2023. The change was due to different mix of sales conditions;
- business trips and travel relating to both commercial activities and customer relations, and travel to customers' production sites to carry out installation and start-up and customer assistance;
- commission costs, which totaled Euro 14,006 thousand in 2024, equal to 13.0% of service costs, compared to 15.0% for 2023. The change is due to the movement in sales volumes and a different sales mix.

Rent, lease and similar costs include costs related to rental agreements that do not meet the characteristics for the application of IFRS 16. For information on the Group’s research and development spending, see the paragraph “Group operating performance” of the Directors' Report.

[30] Personnel expense

Personnel expense amounted to Euro 139,607 thousand, compared with Euro 130,568 thousand in 2023. A breakdown of personnel expenses and the workforce by category is provided below:

€/000	2024	2023
Wages and salaries	108,725	101,849
Social security contributions	26,180	24,836
Costs for defined benefit plans	2,284	2,058
Other expenses	2,417	1,826
Personnel expenses	**139,607**	**130,568**
of which non-recurring	3,291	-

The item increased on the previous year by approximately 6.9%. The increase is due partly to the inclusion of NuVu in the consolidation scope, to the increases in the national collective bargaining agreements in Italy, and to the effect of the acceleration of the incentive plans, as described in greater detail in the "Group performance overview" section of the Directors' Report.

As a percentage of Total revenue and income, the item increased from 22.9% in 2023 to 24.4% in 2024.

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

	31.12.2024		31.12.2023	
	period end	average	period end	average
Managers	47	46.92	43	41.83
Junior managers	157	147.34	114	114.59
White collars	1,223	1,203	1,053	1,042
Blue collars	659	668.64	595	598.5
Total	**2,086**	**2,066**	**1,805**	**1,797**

[31] Other expenses

This item amounted to Euro 5,543 thousand, compared with Euro 4,818 thousand in the previous year. This item is broken down as follows:

€/000	2024	2023
Other taxes and duties	1,208	1,212
Losses from the sale of tangible fixed assets	-	423
Bad debt provision	2,190	953
Entertainment costs	416	356
Provision for legal and tax risks	(36)	256
Provision for product warranty	476	507
Provision for additional client expenses	92	29
Other	1,197	1,082
Other expenses	**5,543**	**4,818**

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

[32] Amortization, depreciation and write-downs

This item amounted to Euro 15,232 thousand, compared with Euro 13,760 thousand in the previous year. This item is broken down as follows:

€/000	2024	2023
Amortisation	6,478	5,322
Depreciation	4,715	4,272
Right of use depreciation	4,038	3,890
Impairment loss on intangible assets	0	276
Depreciation & amortisation	**15,232**	**13,760**

The increase is related for Euro 1,087 thousand to the amortization of intangible assets (customer list and backlog), recognized within the PPA regarding the acquisition of control of NuVu.

The “Write-downs of intangible assets” item included the impairment of Energys goodwill.

[33] Financial income and expenses

The account presented net expenses of Euro 1,022 thousand in 2024, compared to net expenses of Euro 1,531 thousand in 2023. This item is broken down as follows:

€/000	2024	2023
Interest income	2,022	1,129
Income on financial assets	317	504
Other financial income	257	164
Financial income	**2,596**	**1,797**
Bank interest expenses	2,506	2,343
Other interest expenses	429	361
Other financial expenses	683	624
Financial expense	**3,618**	**3,328**
Net financial income (charges)	**(1,022)**	**(1,531)**

Financial income is mainly attributable to the Parent Company, PGNA Inc. and Nuvu, and includes interest income on deposits and on bonds, which increased compared to 2023 as a result of more effective management of liquidity.

[34] Net exchange rate gains/(losses)

The item reports a net gain of Euro 579 thousand in 2024, compared to a net loss of Euro 1,214 thousand in 2023. This item is broken down as follows:

€/000	2024	2023
Exchange rate gains	6,197	7,249
Exchange rate losses	(5,619)	(8,463)
Net exchange rate gain (losses)	**579**	**(1,214)**

Unrealized foreign exchange gains included under Foreign exchange gains amounted to Euro 3,724 thousand in 2024 (60.1% of foreign exchange gains for the year) and Euro 4,912 thousand in 2023 (67.8% of foreign exchange gains for the year).
Unrealized foreign exchange losses included under Foreign exchange losses amounted to Euro 3,395 thousand in 2024 (60.4% of foreign exchange losses for the year) and Euro 6,474 thousand in 2023 (76.5% of foreign exchange losses for the year), respectively.
The change on 2023 is mainly attributable to the IPEG group and to Piovan do Brasil, as well as to the trends in the US dollar and Brazilian real against the Euro.

[35] Gains/(losses) on liabilities for options granted to minority shareholders

The item reports net losses of Euro 800 thousand in 2024 (net gains of Euro 481 thousand in 2023 for the adjustment of the liabilities for put options of the minorities of FEA). The amount recognized is the result of the adjustment of the liability for put options payable to the minority shareholders of NuVu. For further details, reference should be made to Note [20].

[36] Profits/(losses) from equity investments carried at equity

This item amounted to a net gain of Euro 6,982 thousand (Euro 1,171 thousand in the previous year) and included Euro 6,393 thousand for the revaluation at fair value of the holding initially held in NuVu (50%), which subsequently entered the consolidation scope, and Euro 589 thousand related to equity investments valued at equity. Reference should be made to note [4] for further information.

[37] Profit (losses) from disposals of assets held for sale

This includes the income attributable to the Group from the sale of the investment in Energys and consequent loss of a controlling interest.

[38] Income Taxes

This item amounted to Euro 17,921 thousand in 2024, compared with Euro 15,989 thousand in 2023. Income taxes have been determined taking into account the best estimate of the average annual tax rate expected for the whole year. Reference should be made to Note [6] in relation to changes in deferred tax assets and liabilities and the nature of these.

€/000	31.12.2024	31.12.2023
Current tax liabilities	17,855	19,846
Deferred/advance taxes	(2,100)	(3,517)
Previous years taxes	(286)	(340)
Risk provision	2,450	0
Income taxes	**17,921**	**15,989**

Income taxes can be reconciled as follows to the pre-tax profit or loss shown in the statement of profit and loss:

€/000	31.12.2024	31.12.2023
Result before taxes	64,255	64,899
Income taxes calculated using the theoretical IRES rate (24%)	(15,421)	(15,576)
Irap	(1,425)	(1,737)
Effect of different taxation on companies operating abroad	1,363	1,259
Non recurring effects	-2450	0
Other movements	13.03	65
Income taxes	**(17,921)**	**(15,989)**

The tax rate used for the reconciliation for the year is 24%, which corresponds to the IRES rate applicable in Italy, the jurisdiction in which the taxable income is mainly earned.

Other information

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.
The following non-recurring income and expenses were identified in 2024 and 2023:

Non-recurring items (€/000)	2024	2023
Non-recurring costs related to acquisitions and reorganizations	(1,145)	(381)
Personnel expenses	(3,291)	-
Non-recurring costs related to the construction of the new factory in China	(436)	(54)
Goodwill impairments	-	(276)
Income from the sale of Toba	-	1,337
Income from the acquisition of NuVu	6,393	-
Exchange rate effect from first consolidation of NuVu	(475)	-
Accrual for tax provision	(2,450)	-
Total	**(1,404)**	**626**

Incentive Plans

On May 12, 2020, the Shareholders' AGM 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", consists of three rolling allocation cycles, each lasting three years. The 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. Furthermore:

- the first cycle came to a close in 2022, and in January 2023, 93,255 shares, representing all of the shares vested, were allocated to plan participants.
- the second cycle came to a close in 2023, and in January 2024, 161,113 shares, representing all of the shares vested, were allocated to plan participants.
- the third cycle came to a close in 2024, and in February 2025, 165,178 shares, representing all of the shares vested, were allocated to plan participants.

The second, called the "2020 - 2022 Long-Term Monetary Incentive Plan" comprises three rolling allocation cycles, each lasting three years. The plan stipulates that the beneficiaries are identified from among the Executives and employees or collaborators at the Piovan Group's companies, providing for monetary incentives. The last cycle ending in 2024 was settled in early 2025.

The third plan, called the “2020-2022 Phantom Stock Option Plan”, is for the Executive Directors and Senior Executives of Piovan S.p.A.. This is a long-term plan divided into three cycles, each lasting three years. The 2020 and 2021 cycles ended in 2022 and 2023, respectively, and therefore the accrued amounts were paid to the beneficiaries. With regards to the 2022 cycle which concludes with FY 2024, it is recalled that in January 2025, partly in view of the completion of the transaction for the acquisition of the Piovan Group by Automation System, it was resolved to convert it to a share plan. The plan regulation provided for the option to make changes to the content of the plan itself upon resolution of the Board of Directors. Therefore, in February 2025, 170,450 shares were allocated to the beneficiaries.

The vesting of the three plans outlined above was linked to performance targets, related to the Group's consolidated sales volume and EBITDA.

Finally, on April 24, 2023, the Shareholders’ AGM approved the new stock grant plan for ordinary company shares, called the “2023-2025 Long Term Incentive Plan”. This new plan is divided into three cycles (the first covering the 2023- 2025 vesting period, the second covering the 2024-2026 vesting period, and the third covering the 2025-2027 vesting period). Beneficiaries of the plan are individually identified by the Board of Directors, upon the proposal of the Chairperson of the Board of Directors, and having heard the opinion of the Nomination and Remuneration Committee, as the Executive Directors (excluding the Executive Chairperson) and the Senior Executives (as formally identified), with additional beneficiaries identified by the Chairperson of the Board of Directors from among the employees and/or collaborators of the Company or Subsidiaries due to the strategic importance of the roles, as follows:

- - by December 31, 2023 for the First Cycle;
- - by December 31, 2024 for the Second Cycle;
- - by December 31, 2025 for the Third Cycle;

The allocation of the initial rights will take place free of charge, with the relevant Beneficiaries not required to pay any consideration to the Company for such allocation.
Initial rights will be allocated based on performance rights (90%), linked to the achievement of certain Group targets, and retention rights (10%), linked to continued employment. Performance Rights may accrue in a range from 0 to approximately 120% of the initial rights. The Performance Goals for each Cycle are set by the Board of Directors, after consultation with the Nomination and Remuneration Committee, in accordance with the provisions of the Plan, and communicated to each Beneficiary, for the First Cycle, indicatively by June 30, 2023, and for each subsequent Plan Cycle indicatively by March 31 of the first year of that Plan Cycle. Performance targets are based on both "market conditions" and "non-market conditions”. Furthermore, it is underlined that the Plan's goals include objectives related to ESG topics.
The plan regulation included the possibility of being able to convert it from a cash settled plan to an equity settled plan. In addition, the same regulation stipulates that if a change of control transaction is carried out, the beneficiaries have the right to the allocation (including through the payment of the relevant monetary consideration) of the shares in advance and regardless of the fulfillment of the conditions stipulated in the Plan regulation.

Therefore, in view of the completion of the transaction for the acquisition of the Piovan Group by Automation System finalized in January 2025, it was resolved to accelerate the first two cycles, which matured on December 31, 2023 and December 31, 2024, respectively. It was also decided to convert the plan from equity settled to cash settled for only the employee beneficiaries of the foreign subsidiaries, and for the employees of the Italian subsidiaries who were allocated shares linked only to the condition of employment retention. See Note [14] for further details on the plans.

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, 2023.

31.12.2024	IFRS 9 categories	Book value	Level 1	Level 2	Level 3
Current accounts and post office deposits	Receivables and loans	78,992	-	78,992	-
Cash equivalent	Receivables and loans	3,570	-	3,570	-
Cash	Receivables and loans	98	-	98	-
Cash and cash equivalents		**82,660**	-	**82,660**	-
Trade receivables	**Receivables and loans**	**79,974**	-	-	**79,974**
Financial assets		**108**	**108**	-	-
Total financial assets		**162,742**	**108**	**82,660**	**79,974**
Bank borrowings	Liabilities at amortised cost	62,376	-	62,376	-
Payables to other lenders	Liabilities at amortised cost	13,890	-	13,890	-
Non-current financial liabilities		**76,266**	-	**76,266**	-
Short-term bank loans	Liabilities at amortised cost	1,342	-	1,342	-
Short-term bank loans	Liabilities at amortised cost	32,462	-	32,462	-
Payables to other lenders	Liabilities at amortised cost	4,195	-	4,195	-
Current financial liabilities		**37,999**	-	**37,999**	-
Trade payables	Liabilities at amortised cost	**75,059**	-	-	**75,059**
Advances from customers	Liabilities at amortised cost	**37,220**	-	-	**37,220**
Liabilities for commitments and put options	Liabilities at fair value	-	-	-	-
Total financial liabilities		**226,544**	-	**114,265**	**112,279**
31.12.2023	**IFRS 9 categories**	**Book value**	**Level 1**	**Level 2**	**Level 3**
Current accounts and post office deposits	Receivables and loans	79,246	-	79,246	-
Cash equivalent	Receivables and loans	13,500	-	13,500	-
Cash	Receivables and loans	39	-	39	-
Cash and cash equivalents		**92,785**	-	**92,785**	-
Trade receivables	**Receivables and loans**	**79,979**	-	-	**79,979**
Financial assets	**Receivables and loans**	**6,556**	**6,556**	-	-
Total financial assets		**179,320**	**6,556**	**92,785**	**79,979**
Bank borrowings	Liabilities at amortised cost	79,624	-	79,624	-
Payables to other lenders	Liabilities at amortised cost	14,497	-	14,497	-
Non-current financial liabilities		**94,121**	-	**94,121**	-
Short-term bank loans	Liabilities at amortised cost	666	-	666	-
Short-term bank loans	Liabilities at amortised cost	36,567	-	36,567	-
Payables to other lenders	Liabilities at amortised cost	23,240	-	23,240	-
Current financial liabilities		**60,473**	-	**60,473**	-
Trade payables	Liabilities at amortised cost	**71,668**	-	-	**71,668**
Advances from customers	Liabilities at amortised cost	**37,445**	-	-	**37,445**
Liabilities for commitments and put options	Liabilities at fair value	-	-	-	-
Total financial liabilities		**263,707**	-	**154,594**	**109,113**

Related party transactions

During 2024 and 2023, the Group had commercial relations with some related parties of the Group.
In accordance with the provisions of IAS 24, the following entities are considered Related Parties: (a) companies that directly or indirectly through one or more intermediate companies, control, or are controlled or are under common control with the reporting entity; (b) associated companies; (c) natural persons who directly or indirectly have voting power in the reporting entity that gives them a dominant influence over the company and their immediate family members; (d) key management personnel, i.e. those who have the power and responsibility for planning, directing and controlling the activities of the reporting entity, including directors and officers of the company and the immediate family members of such persons; (e) companies in which any natural person described under (c) or (d) has, directly or indirectly, significant voting power, or over which such person has such power. Case (e) includes undertakings owned by the directors or major shareholders of the reporting entity and undertakings which have a manager with strategic responsibilities in common with the reporting entity.
All transactions are regulated at market conditions for goods and services of equal quality.

Transactions at 31.12.2024	Nature of transactions	Property, Plant & Equipment and IFRS16	Current trade receivables	Other current assets	Trade payable	Current financial liabilities	Non current financial liabilities	Other non current liabilities	Other current liabilities	Revenues	Expenses
Pentafin S.p.A.	Piovan S.p.A. parent company	-	2	-	-	-	-	-	776	-	-
CMG S.p.A.	Associated company	-	-	-	557	-	-	-	-	9	2,579
Penta Auto Feeding India Ltd.	Subsidiary	-	-	-	-	-	-	-	-	26	-
NuVu Conair Private Ltd	Associated company	-	-	-	-	-	-	-	-	-	-
Nicola Piovan	(*)	133	-	9	-	-	-	-	57	5	1,298
Filippo Zuppichin	(**)	-	-	-	-	-	-	-	-	-	3,224
Other Members of BoD	Directors	-	-	-	-	-	-	-	57	-	189
TOTAL		**133**	**2**	**9**	**557**	**-**	**-**	**-**	**890**	**40**	**7,290**

(*) Executive President of Piovan S.p.A. and sole shareholder of Pentafin S.p.A.
(**) Chief executive officer e and minority shareholder of Piovan S.p.A.

Transactions at 31.12.2023	Nature of transactions	Property, Plant & Equipment and IFRS16	Current trade receivables	Other current assets	Trade payable	Current financial liabilities	Non current financial liabilities	Other non current liabilities	Other current liabilities	Revenues	Expenses
Pentafin S.p.A.	Piovan S.p.A. parent company	-	-	-	-	-	-	-	410	-	-
CMG S.p.A.	Associated company	-	-	-	600	-	-	-	-	8	2,993
Penta Auto Feeding India Ltd.	Subsidiary	-	72	-	8	-	-	-	-	36	-
NuVu Conair Private Ltd	Associated company	-	126	-	-	-	-	-	-	1,076	-
Nicola Piovan	(*)	157	-	11	-	50	118	-	57	-	1,306
Filippo Zuppichin	(**)	11	-	-	-	11	-	364	605	-	1,650
Other Members of BoD	Directors	-	-	-	-	-	-	-	55	-	175
TOTALE		**168**	**198**	**11**	**608**	**61**	**118**	**364**	**1,127**	**1,120**	**6,123**

(*) Executive President of Piovan S.p.A. and sole shareholder of Pentafin S.p.A.
(**) Chief executive officer e and minority shareholder of Piovan S.p.A.

Commitments and risks

At December 31, 2024, the Group provided guarantees to third parties as indicated below:

- Euro 17,688 thousand for guarantees in favor of third parties against advances received for contract work-in-progress;
- Euro 10 thousand for guarantees in favor of third parties of the Parent Company Piovan S.p.A..

At December 31, 2024, 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 30,414 thousand. It is specified that a part of these Euro 30,414 thousand, i.e. Euro 22,000 thousand are related to guarantees provided to a credit institution on behalf of Pelletron Corp, which used 12,241 thousand euros to provide guarantees to customers in return for advances received for current sales contracts.
In addition, commitments related to lease agreements that are not recognized as liabilities in accordance with IFRS 16 total approximately Euro 4,217 thousand.

Contingent liabilities and contingent assets

We are not aware of the existence of further disputes or proceedings that are likely to have significant repercussions on the Group’s financial performance or standing other than as described in the Directors’ Report and in the notes to the consolidated financial statements.
We are not aware of any contingent assets of significance to the Group’s financial performance or standing.

Disbursements from the Public Administration – Transparency obligations under Italian Law No. 124 of 2017

Provided below is a list of subsidies, grants, paid positions, and other economic benefits of any kind received from public bodies or from other entities defined under Article 1(125) of Law 124 of 2017 by companies of the Group in 2022:

Piovan S.p.A.:

- With regard to the tax credit for research, development and innovation, as per Law 160/2019 as amended, the Company utilized in 2024 the amount of Euro 214,776 (of which Euro 53,171, as tranche III 2020, 96.069,00 as tranche II 2021 and Euro 65.536 as tranche I 2022).

- With regard to the tax credit for capital goods spending, as per Law 178/2020 as amended, the Company used Euro 77,718 of this credit in 2024.

- Based on that indicated in the National Aid Register, the Company has a guarantee available, received in 2022, within the scope of COVID-19 state aid (SME guarantee fund for state aid SA 569666 – 2020(N) – Direct guarantee) in the amount of Euro 306,029.45.

- In 2024, the Company received a grant of Euro 30,396 for training programs from Fondimpresa and a grant of Euro 1,172 from Fondirigenti.

- On March 10, 2020, the Company submitted an application with the Ministry for Economic Development based on the Agreements for Innovation (Ministerial Decree 24.05.2017) for a research and development project entitled “PIOVAN - Smart Factory”: Which concerns next-generation machinery for the processing of plastics in both granular and powdered form, including from the recycling process, which can be easily integrated into an interconnected system that can share data with customer systems.

- The project concerns the development of a series of advanced, highly efficient auxiliary machines for the storage, transport and processing of polymers in both granular and powder form that feature a greater level of control and can be easily integrated into an entire automated line. The ultimate goal of Piovan S.p.a. is to create an advanced, self-adapting system that will enable customers to run their factories with fewer defects, a better use of energy and other resources, and greater process safety, so as not to lose competitive advantage in the transition to Industry 4.0.

- Project F/130047/00/X38 was approved by the Ministry for Economic Development on August 6, 2020, by way of Decree No. 3014, for a total cost of Euro 8,236,169.08 and with the following facilities:
    - Ministry spending grant Euro 1,647,233.82
    - Ministry subsidized financing Euro 411,808.45
    - Subsidized financing by the Veneto Region Euro 411,808.45

- The project was begun on April 1, 2019. On September 30, 2020, partial suspension of the program was requested in response to COVID. The project came to a close on August 31, 2022.

- The project was begun on April 1, 2019. On September 30, 2020, partial suspension of the program was requested in response to COVID. The project came to a close on August 31, 2022.

- On January 20, 2021, the first progress report was submitted for costs incurred for the period April 1, 2019, to August 6, 2020, for a reported cost of Euro 2,353,643.36, approved for Euro 2,234,241.70. In relation to these costs, the company received the following disbursements:
  - On December 22, 2021, spending grant in the amount of Euro 446,848.34
  - On December 22, 2021, subsidized financing of Euro 111,712.09 from the Ministry for Economic Development and Euro 111,712.09 from the Region of Veneto.

- On May 8, 2021, the second progress report was submitted for costs incurred for the period August 7, 2020, to February 6, 2021, for a reported cost of Euro 1,232,436.82, approved for Euro 1,224,698.51. In relation to these costs, the company received the following disbursements:
  - On March 3, 2022, spending grant in the amount of Euro 244,939.70
  - On December 22, 2021, subsidized financing of Euro 61,234.92 from the Ministry for Economic Development and Euro 61,234.92 from the Region of Veneto.

- On December 13, 2021, the third progress report was submitted for costs incurred for the period February 7, 2021, to August 6, 2021, for a reported cost of Euro 1,321,354.56, approved for Euro 1,319,442.03. In relation to these costs, the company received the following disbursements:
  - On July 14, 2022, spending grant in the amount of Euro 263,888.41
  - On July 14, 2022, subsidized financing of Euro 65,972.10 from the Ministry for Economic Development and Euro 65,972.10 from the Region of Veneto.

- On June 12, 2022, the fourth progress report was submitted for costs incurred for the period August 7, 2021, to February 6, 2022, for a reported cost of Euro 1,172,306.16, approved for Euro 1,171,057.19. In relation to these costs, the company received the following disbursements:
  - On December 5, 2022, spending grant in the amount of Euro 234,211.44
  - On December 5, 2022, subsidized financing of Euro 58,552.86 from the Ministry for Economic Development and Euro 58,552.86 from the Region of Veneto.

- On November 23, 2022, the balance of costs incurred for the period February 7, 2022, to August 31, 2022, for a reported cost of Euro 1,775,554.85, approved for Euro 1,714,606.12. In relation to these costs, the company received the following disbursements:
  - On December 21, 2023, spending grant in the amount of Euro 292,622.55
  - On December 21, 2023, subsidized financing of Euro 73,155.64 from the Ministry for Economic Development and Euro 73,155.64 from the Region of Veneto.

- On May 23, 2023, the final report was issued, which includes a summary of the entire project with a specification of the approved spending; therefore, the definitive approved spending totaled Euro 7,664,045.55.

- Finally, on November 7, 2024 the Decree for the definitive granting of the incentives was issued, which provides for a final payment of the balance, as detailed below:
  - contribution to the expenditure equal to €50,298.67.
  - subsidized financing equal to €12,574.67 by the Mise and Euro 12,574.67 by the Veneto Region.

- The actual payment of the balance of the above occurred on 03/11/2025, bringing the total received as:

  non-repayable contribution to €1,532,809.11

  subsidized loans, being repaid as per the repayment plans, to €766,404.56.

Remuneration paid to Directors and Statutory Auditors

Remuneration paid to Directors, Statutory Auditors and Senior Managers for the year ended December 31, 2023 compared to the previous year are shown below:

€/000	2024	2023
Directors	3,432	2,868
Managers with strategic responsibilities	2,506	1,952
Statutory auditors	75	75

Disclosure pursuant to Article 149-duodecies of the Consob Issuers' Regulation – fees for independent auditors

The following table, prepared pursuant to Article 149 of the Consob Issuers´ Regulation, reports:

- the fees for 2024 for audit services
- for those other than audit services, rendered by the same audit firm in office
- and from companies in its network.

Type of service	Auditor	Companies	31.12.2024
External audit of accounts	Auditor of the parent company	Parent company	187
External audit of accounts	Auditor of the parent company	Subsidiaries	192
External audit of accounts	Network of the parent company's auditors	Subsidiaries	108
Review of the half-yearly financial statements	Auditor of the parent company	Parent company	35
Review of the half-yearly financial statements	Auditor of the parent company	Subsidiaries	46
Review of the half-yearly financial statements	Network of the parent company's auditors	Subsidiaries	17
External audit of accounts and review	Other auditors	Subsidiaries	208
Non-audit services	Network of the parent company's auditors	Parent company	85
Non-audit services	Network of the parent company's auditors	Subsidiaries	-
Total			**878**

Subsequent events after December 31, 2024

As presented in the Directors' Report, the significant events after December 31, 2024, were as follows:

Sale of the controlling interest in Piovan S.p.A. by Pentafin S.p.A. and related events

Obtaining the required authorizations

On January 10, 2025, a press release was issued in which the Purchaser (as previously defined) announced - with reference to the notification regarding the transaction made to the Austrian Authority in charge of foreign investment control with respect to Piovan Central Europe GmbH (described above) - the release of the clearance for the transaction.

In light of the above, the Purchaser on that date therefore obtained all required approvals under the applicable regulations for the purpose of completing the transaction.

Finalization of the change of control of Piovan S.p.A. and entry into office of the new Board of Directors

On January 28, 2025, Automation Systems S.p.A. completed the purchase of a total stake in Piovan of 64.82% of Piovan's share capital and 67.83% of the related voting rights, net of treasury shares, in execution of the two sale and purchase agreements - respectively with Pentafin S.p.A. and 7-Industries Holding B.V. - signed and disclosed to the market on July 19, 2024.

As a result of the closing of the Transaction, (i) the shareholder agreements already disclosed in accordance with law and outlined above came into effect, and (ii) the new Board of Directors of Piovan, appointed by the Shareholders' AGM of October 1, 2024, took office with effect subject to the closing of the Transaction. The new Board of Directors - which will remain in office until the Shareholders' AGM called to approve the 2025 Annual Accounts – is composed of Nicola Piovan (Executive Chairman), Filippo Zuppichin, Roberto Ardagna, Chiara Arisi, Elena Biffi (independent member), Michela Cassano (independent member), and Mario Cesari (independent member).

Following the completion of the Transaction, Automation Systems is required to make a mandatory totalitarian public tender offer for the remaining shares of Piovan, at a price of Euro 14.00 per Piovan share, aimed at delisting the Company's shares from the Euronext STAR Milan (the "Offer").

Resolutions of the new Board of Directors of Piovan S.p.A. following the finalization of the change of control

The Board of Directors of Piovan S.p.A., which took office along with the Closing, met for the first time on January 29, 2025. The new Board of Directors confirmed Mr. Nicola Piovan as Executive Chairman and Mr. Filippo Zuppichin as Chief Executive Officer (CEO) of the Company, granting them the relevant powers. In view of these delegated powers, the Board of Directors assigned Chief Executive Officer Filippo Zuppichin the duty of establishing and maintaining the Internal Control and Risk Management System in accordance with Article 6, Recommendation 32, of the Corporate Governance Code.

The Board of Directors also:

- appointed Independent Director Elena Biffi as Lead Independent Director;
- appointed the members of the Company's internal Board committees and, more specifically, the Nomination and Remuneration Committee, the Control, Risks and Sustainability Committee and the Related Party Transactions Committee, as follows: (i) Nomination and Remuneration Committee: Directors Michela Cassano (Chairperson), Elena Biffi and Mario Cesari; (ii) Control, Risk and Sustainability Committee: Michela Cassano (Chairperson), Elena Biffi and Mario Cesari; (iii) Related Parties Committee: Elena Biffi (Chairperson), Michela Cassano and Mario Cesari.

Subsequently, on February 27, 2025, the Board of Directors of Piovan S.p.A. approved the press release prepared pursuant to Article 103, paragraph 3 of Legislative Decree No. 58 of February 24, 1998, as subsequently amended (the "CFA") and Article 39 of the Regulations adopted by Consob Resolution No. 11971 of May 14, 1999, as subsequently amended (the "Issuers' Regulation") and containing the reasoned assessment of the Board of Directors (i) on the mandatory full public tender offer promoted pursuant to Articles 102 and 106 of the CFA by Automation Systems S.p.A. on all of the Issuer's shares and (ii) on the appropriateness of the related consideration.

For the purpose of issuing the Issuer's Press Release, the Board of Directors has, among other matters, reviewed and taken into account the opinion issued on February 27, 2025 by the Independent Directors pursuant to Article 39-bis of the Issuers' Regulation, to which the fairness opinion issued by Vitale & Co. as the financial advisor appointed by the Independent Directors for the purpose of their assessments was attached. At the outcome of the meeting, the Board of Directors, also based on the content of the Fairness Opinion and the Independent Directors' Opinion, considered the consideration of Euro 14.00 per share of the Issuer to be tendered to the Offer to be fair from a financial point of view.

Launch of the mandatory full public tender offer

On February 28, 2025, the offer document, approved by Consob regarding the mandatory full public tender offer, was published. The offer document can be found on the Piovan Group's website (www.piovan.com), and has been disseminated to the public through the usual communication channels. The offer period for Offers, agreed with Borsa Italiana, corresponds to 15 trading days, and is expected to end March 21, 2025, unless extended, in which case the last day of the offer will be April 4, 2025.
Reference should be made to the Offer Document for full details of all the terms and conditions of the Offer.

Opening of the new Chinese facility

On January 15, 2025, the Group's Chinese manufacturing company ("Piovan China") inaugurated a new facility in Suzhou, Jiangsu Province, for a total investment of more than Euro 10 million. The 15,000-square-meter plant is designed to promote the Piovan Group in Asia as a leading player in the development and production of complete automation systems for processing plastics, food powders and refrigeration solutions. The new location will provide facilities, engineering consulting, training and after-sales service to all subsidiaries in the Group's APAC region, including Piovan Asia Pacific in Bangkok, Piovan Vietnam in Ho Chi Minh City, Piovan Japan in Kobe, Piovan Korea in Seoul, South Korea, Piovan Indonesia in Jakarta, and Conair Asia in Taiwan and Singapore. The move of operations to the new location is planned during the first half of 2025.

Acquisition of 50% of the associated company Penta Auto Feeding India Limited

On January 18, 2025, Piovan India Private Limited (a wholly-owned subsidiary of Piovan S.p.A.) signed a binding agreement to purchase a 50% interest in Penta Auto Feeding Limited ("Penta India") from Kabra Extrusiontechnik Limited ("Kabra"). The remaining 50% of Penta India was already owned by Penta S.r.l. - a wholly-owned subsidiary of Piovan S.p.A.. The transaction was finalized on February 6, 2025. As a result, the Piovan Group therefore holds 100% of Penta India.

Piovan S.p.A. - Tax Audit

With regards to that outlined in detail in the "**Significant events in the year**" paragraph, on February 26, 2025, in continuity with that which occurred for the Tax Assessment Notice for FY 2017, the Company filed its appeal against the Tax Assessment Notice of 2018 with an application for an interim suspension and a public hearing before the Court of Tax Justice of Venice.

No other events subsequent to December 31, 2024 are reported.

Allocation of the result for the year

Piovan S.p.A. closed 2024 with a net profit of Euro 17,472,752.61, which the Board of Directors proposes to fully allocate to the extraordinary reserve.

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

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

Company name	Registered office	Country	Currency	Share capital at 31.12.2024	% shareholding	Shares held Shareholder-Partner	Consolidation method
Parent:							
Piovan S.p.A.	Santa Maria di Sala	Italy	EUR	6,000,000			
Equity investments in subsidiary companies:							
Piovan India Private Ltd	Mumbai	India	INR	350,000	100.00%	Piovan S.p.A.	Full
Piovan Plastics Machinery Ltd	Suzhou (CN)	Cina	CNY	5,088,441	100.00%	Piovan S.p.A.	Full
Piovan Do Brasil Ltda	Osasco (BRA)	Brasile	BRL	11,947,356	100.00%	Piovan S.p.A.	Full
Piovan Mexico S. A.	Queretaro (MX)	Messico	MXN	706,540	100.00%	Piovan S.p.A.	Full
Piovan Central Europe GmbH	Brunn am Gebirge (A)	Austria	EUR	35,000	100.00%	Piovan S.p.A.	Full
Piovan UK Ltd	Bromsgrove (GB)	Regno Unito	GBP	25,000	100.00%	Piovan S.p.A.	Full
Piovan Czech Republic s.r.o.	Praga (CZ)	Repubblica Ceca	CZK	200,000	100.00%	Piovan Central Europe GmbH (90%)	Full
				0	0.00%	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	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	67.00%	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
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
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	100.00%	Piovan S.p.A.	Full
CMG America Inc.	Clio	Michigan	USD	70,000	100.00%	Piovan S.p.A.	Equity method
Doteco S.p.A.	Modena (IT)	Italia	EUR	1,000,000	100.00%	Piovan S.p.A.	Full
Doteco INC	Dalton, Georgia (U.S.A.)	USA	USD	75,000	100.00%	IPEG Holdings Inc.	Full
Piovan North America Llc	Delaware (USA)	USA	USD	55,655,144	100.00%	Piovan S.p.A.	Full
IPEG Holdings Inc.	Delaware (USA)	USA	USD	14,389,211	100.00%	Piovan North America Llc	Full
PGNA Inc.	Franklin, Pennsylvania (USA) Pinconning, Michigan (USA)	USA	USD	4,501,645	100.00%	IPEG Holdings Inc.	Full
Republic Machine Inc.	Kentucky (USA)	USA	USD	100	100.00%	PGNA Inc.	Full
Thermal Care Inc.	Illinois (USA)	USA	USD	1,000	100.00%	PGNA Inc.	Full
Pelletron Corp.	Pennsylvania (USA)	USA	USD	1,000	100.00%	PGNA Inc.	Full
Conair Mexicana S.A. de C.V.	Guadalupe (Mexico)	Messico	MXN	52,739,210	100.00%	PGNA Inc.	Full
International Plastics Equipement Group S.A. de C.V.	Guadalupe (Mexico)	Messico	MXN	50,000	100.00%	PGNA Inc.	Full
Pelletron Europe GmbH	Bodnegg (Germany)	Germania	EUR	25,000	100.00%	PGNA Inc.	Full
Conair Pacific Equipement Pte Ltd	(Singapore)	Singapore	SND	10,000	100.00%	PGNA Inc.	Full
Conair Trading (Shangai) Co Ltd	Shangai (China)	Cina	CNY	0	100.00%	PGNA Inc.	Full
Conair Asia Pte Ltd	(Singapore)	Singapore	SND	10,000	100.00%	PGNA Inc.	Full
Conair Asia Pte Ltd	Taiwan	Taiwan	TWD	17,900,000	100.00%	PGNA Inc.	Full
Piovan Industrial Automation (Suzhou) Co., Ltd.	Suzhou (Cina)	Cina	CNY	40,000,000	100.00%	Piovan S.p.A.	Full
PT Piovan Technology Indonesia	Giacarta (Indonesia)	Indonesia	ID	1,000,100,000	99.00%	Piovan S.p.A.	Full
				0	1.00%	Aquatech S.r.l.	
Piovan Korea	Seoul (Korea)	Corea	KRW	300,000,000	100.00%	Piovan S.p.A.	Full
NuVu Conair Private LTD	Ahmedabad (India)	India	INR	19,915,000	50.00%	Conair Pacific Equipement Pte Ltd	Full
				0	1.00%	Piovan S.p.A.	
Equity investments in affiliated companies:							
CMG S.p.A.	Budrio (BO)	Italia	EUR	1,250,000	20.00%	Piovan S.p.A.	Equity method
Penta Auto Feeding India Ltd	Navi Mumbai (India)	India	INR	10,000,000	50.00%	Penta S.r.l.	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 (Venezia), March 20, 2025

For the Board of Directors

Executive Chairman
Nicola Piovan

Declaration of the consolidated financial statements

Declaration of the consolidated annual 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, March 20, 2025

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

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

of the administrative and accounting procedures for the drafting of the consolidated annual financial statements for 2024.

No significant aspects emerged concerning the above.

In addition, we declare that the consolidated annual financial statements at December 31, 2024:

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 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.

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

Auditors' report of the annual consolidated financial statements

Deloitte & Touche S.p.A.
Via Fratelli Bandiera, 3
31100 Treviso
Italia

Tel: +39 0422 5875
Fax: +39 0422 587812
www.deloitte.it

INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010 AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Piovan S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Piovan S.p.A. and its subsidiaries (the "Piovan Group" "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit and loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Piovan S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Impairment test on goodwill	
Description of the key audit matter	The consolidated financial statements include, within Intangible assets, goodwill totaling Euro 78,651 thousand, mainly allocated to the three Cash Generating Units ("CGU") of IPEG Group (for a total of Euro 43,183 thousand), Euro 15,695 thousand pertaining to the CGU "Doteco" and Euro 14,015 thousand pertaining to the CGU "NuVu". In accordance with International Accounting Standard "IAS 36 – Impairment of assets", goodwill is not amortized but tested for impairment at least once a year, by comparing the recoverable amount of each of the afore-mentioned CGUs – intended as value in use determined using the Discounted Cash Flows (DCF) method – and their carrying amount, which includes goodwill allocated to them as well as other tangible and intangible assets. Company's Management valuation process is based on assumptions concerning, among others, the CGUs' expected cash flows, deriving from business plans approved in March 2025 by the Board of Directors of the Company, the definition of an appropriate discount rate (WACC) and of a long-term growth rate (g-rate) for the calculation of the terminal value beyond the forecasting period. Such assumptions depend upon future expectations and market conditions which can vary upon time, with consequent effects, potentially significant, with respect to judgements made by the Directors. Considering the amount of goodwill included in the financial statements, the level of judgement involved in the estimate of the CGUs' cash flows and of the key parameters of the impairment model, we considered the impairment test on goodwill as a key audit matter for the consolidated financial statements. Notes to the consolidated financial statements, and in particular Note 3, present disclosures provided by the Directors with regards to the impairment tests, including the result of the tests and of the sensitivity analysis performed, which describes the effects potentially deriving from changes in the key parameters used for the test.
Audit procedures performed	We have first examined the methodology used by Management in determining the value in use of the CGUs', analyzing the methods and assumptions used for the development of the impairment test. As part of our audit we have, among others, carried out the following procedures, also with the support of experts, part of our network: • examination of consistency of forecasted figures used in the test with business plans approved by Company's Directors;

- analysis of reasonableness of main assumptions adopted in developing projections of the CGUs cash flows;
- analysis of actual results compared to budgeted figures for 2024 and of the nature of variances, in order to evaluate the reliability of the process followed for the preparation of business plans used in the test;
- evaluation of the reasonableness of the discount rate (WACC) and of the long-term growth rate (g-rate), also through comparison with market data;
- verification of the clerical accuracy of the model used to determine the value in use of the CGUs;
- verification of the accuracy in the determination of the carrying amount of the CGUs net assets;
- verification of the sensitivity analysis prepared by Management both in terms of clerical accuracy and relevance of the analysis with respect to the key assumptions of the test.

We have also examined the appropriateness and compliance of the disclosure provided by the Group on the impairment test with the provisions of IAS 36.

Accounting for the business combination pertaining to NuVu	
Description of the key audit matter	During 2024, Piovan S.p.A. purchased 1% of the share capital of Nu-Vu Conair Private Ltd. (“NuVu”), an Indian company of which Piovan already indirectly held 50% through the subsidiary Conair Pacific Equipment PTE Ltd. This acquisition, together with agreements signed with the other shareholders of NuVu regarding the governance of the company, resulted in Piovan S.p.A. obtaining control over NuVu. This transaction was accounted for in the consolidated financial statements in accordance with IFRS 3 “Business combinations” and required the Directors, also with the support of independent experts, to perform the purchase price allocation (“PPA”) and to assess the fair value of assets acquired and liabilities assumed. The PPA process resulted in accounting, among others, for intangible assets with a defined useful life and related deferred taxes as well as goodwill which, at 31 December 2024, amount to Euro 10,750 thousand, Euro 2,706 thousand and Euro 14,015 thousand, respectively. This transaction also implied the determination at fair value of the share previously held in NuVu (50%), resulting in a gain amounting to Euro 6,393 thousand recognized in the profit and loss account for the period under "Profit (loss) from equity investments" (Note 36). Furthermore, a liability was recognized, with a corresponding reduction of Group’s net equity, for put options granted to minority shareholders.

	Such liability at 31 December 2024 amounts to Euro 26,974 thousand, corresponding to the present value of the estimated consideration due in case the option would be exercised, determined on the basis of contractual agreements in place and using the discounted cash flows approach, estimated using projections considered within the acquisition of NuVu. In light of the significance of this business combinations for the consolidated financial statements of Piovan Group, the various assumptions necessary to develop the above described valuations which, by their nature, imply significant judgements, we considered the accounting of the business combination to be a key audit matter for the audit of Piovan Group's consolidated financial statements. Notes to the consolidated financial statements and in particular section "Acquisition of NuVu" and note 20 describe the process implemented by Group management and the effects on the consolidated financial statements.
Audit procedures performed	As part of our audit we have, among others, carried out the following procedures, also with the support of experts, part of our network: • analysis of the agreements related to the acquisition, in order to understand its main terms and conditions; • understanding of the relevant controls designed and implemented by Group management related to the acquisition accounting process; • analysis of the report prepared by the independent expert appointed by management and of the criteria used to account for the business combination in the compliance with IFRS 3, with particular reference to criteria and assumptions the Directors used to identify assets acquired, liabilities assumed and relevant tax effects, to estimate the relevant fair values and the methods used to determine the goodwill value; • analysis of the criteria applied by Group management to recognize and measure the liability related to the put option granted to NuVu minority shareholders; • analysis of reasonableness of main assumptions adopted by Group management and by the independent expert to develop projections on which estimates are based; • verification of the clerical accuracy of the model used to determine estimated values.

With respect to this key audit matter, we also verified the appropriateness of the disclosures provided and their compliance with applicable accounting standards.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Piovan S.p.A. has appointed us on 14 September 2018 as auditors of the Company for the years from 31 December 2018 to 31 December 2026.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of Piovan S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF – European Single Electronic Format) (hereinafter referred to as the "Delegated Regulation") to the consolidated financial statements as at 31 December 2024, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at 31 December 2024 have been prepared in XHTML format and have been marked up, in all material respects, in accordance with the provisions of the Delegated Regulation.

Opinions and statement pursuant to art. 14 paragraph 2, sub-paragraphs e), e-bis) and e-ter) of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Piovan S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structure of Piovan Group as at 31 December 2024, including their consistency with the related consolidated financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the consolidated financial statements;
- express an opinion on compliance with the law of the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;
- make a statement about any material misstatement in the report on operations and in some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

In our opinion, the report on operations and the specific information contained in the report on corporate governance and the ownership structure are consistent with the consolidated financial statements of Piovan Group as at 31 December 2024.

In addition, in our opinion, the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and the specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

Our opinion on the compliance with the law does not extend to the section related to the consolidated corporate sustainability reporting. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

DELOITTE & TOUCHE S.p.A.

Signed by
Barbara Moscardi
Partner

Treviso, Italy
28 March 2025

As disclosed by the Directors, the accompanying consolidated financial statements of Piovan S.p.A. constitute a non-official version which has not been prepared in accordance with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

SEPARATE FINANCIAL STATEMENTS

Separate Financial Statements

Statement of Financial Position

(€/000)

ASSETS	Notes	31.12.2024	*of which related parties*	31.12.2023	*of which related parties*
			"Other Information"		*"Other Information"*
NON-CURRENT ASSETS					
Property, plant and equipment	**Note 1**	26,730,188	*133,000*	27,662,042	-
Right of Use	**Note 2**	1,014,603	-	960,312	*167,919*
Intangible assets	**Note 3**	939,735		792,800	
Equity investments	**Note 4**	159,394,396	*159,391,272*	146,261,558	*146,259,219*
Non current financial assets	**Note 5**	7,539,188	*7,539,188*	22,500,000	*22,500,000*
Other non-current assets	**Note 6**	15,744		15,744	
Deferred tax assets	**Note 7**	936,452		1,075,286	
TOTAL NON-CURRENT ASSETS		**196,570,307**		**199,267,742**	
CURRENT ASSETS					
Inventories	**Note 8**	16,495,704		17,671,576	
Trade receivables	**Note 9**	21,455,541	*8,889,313*	23,664,593	*7,267,222*
Current financial assets	**Note10**	2,931,398	*2,931,398*	11,479,513	*5,469,303*
Tax receivables	**Note 11**	824,915		1,312,836	
Other current assets	**Note 12**	1,916,399	*561,000*	1,549,734	*23,950*
Cash and cash equivalents	**Note 13**	48,354,969		45,623,993	
TOTAL CURRENT ASSETS		**91,978,926**		**101,302,245**	
TOTAL ASSETS		**288,549,233**		**300,569,987**	

LIABILITIES AND EQUITY	Notes	31.12.2024	of which related parties	31.12.2023	of which related parties
			"Other Information"		*"Other Information"*
EQUITY					
Share capital	**Note 14**	6,000,000		6,000,000	
Legal reserve	**Note 14**	1,200,000		1,200,000	
Reserve for own shares in portfolio	**Note 14**	(3,012,375)		(2,488,712)	
Other Reserves and retained earnings	**Note 14**	72,961,584		68,074,503	
Net profit (loss)	**Note 14**	17,472,753		14,773,782	
TOTAL EQUITY		**94,621,962**		**87,559,573**	
NON-CURRENT LIABILITIES					
Long-term loans	**Note 16**	60,464,423		79,624,052	
Non-current financial liabilities	**Note 16**	1,172,500	-	1,175,761	*118,000*
Employee benefits plans	**Note 17**	1,656,309		1,705,728	
Provision for risks and charges	**Note 18**	3,585,410		3,978,985	
Other non-current liabilities	**Note 19**	796,358	-	1,754,310	*364,000*
Deferred tax liabilities	**Note 7**	7,562		144,576	
TOTAL NON-CURRENT LIABILITIES		**67,682,562**		**88,383,411**	
CURRENT LIABILITIES					
Current portion of long-term loans	**Note 16**	32,462,488		36,566,616	
Current bank loans and borrowings	**Note 16**	-		-	
Current financial liabilities	**Note 16**	53,755,635	*53,287,036*	47,911,738	*47,438,183*
Trade payables	**Note 20**	26,950,118	*4,849,154*	25,262,585	*3,056,857*
Advance from costumers	**Note 21**	2,878,610		2,138,873	
Tax liabilities and social security contributions	**Note 22**	4,020,503		4,244,738	
Other current liabilities	**Note 23**	6,177,356	*146,000*	8,502,454	*1,505,847*
TOTAL CURRENT LIABILITIES		**126,244,710**		**124,627,003**	
TOTAL LIABILITIES		**193,927,272**		**213,010,414**	
TOTAL LIABILITIES AND EQUITY		**288,549,233**		**300,569,987**	

Statement of profit and loss

(€/000)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS	Notes	31.12.2024	*of which related parties*	31.12.2023	*of which related parties*
			Other Information		*Other Information*
Revenue	Note 24	131,924,779	*55,082,515*	133,489,603	*51,223,176*
Other revenue and income	Note 25	5,255,733	*3,775,771*	5,712,101	*3,491,207*
TOTAL REVENUE AND OTHER INCOME		**137,180,512**		**139,201,704**	
Costs of raw materials, components and goods and changes in inventories	Note 26	51,880,374	*2,366,964*	54,989,510	*2,680,186*
Services	Note 27	28,516,981	*6,995,309*	25,365,157	*6,340,744*
Personnel expenses	Note 28	34,173,922	*2,023,000*	31,395,627	*1,638,500*
Other expenses	Note 29	969,266	*5,000*	1,425,660	*12,718*
Amortisation and depreciation	Note 30	2,583,181	*67,000*	2,468,936	*74,753*
TOTAL COSTS		**118,123,725**		**115,644,891**	
OPERATING PROFIT		**19,056,787**		**23,556,814**	
Financial income	Note 31	11,805,521	*513,859*	5,239,193	*577,969*
Financial Expenses	Note 31	(4,859,285)	*(2,145,483)*	(4,016,306)	*(1,415,113)*
Net exchange rate gain (losses)	Note 32	(250,814)	-	(22,668)	-
Changes in financial assets	Note 33	(492,467)		(3,743,997)	
PROFIT BEFORE TAXES		**25,259,742**		**21,013,037**	
Income taxes	Note 34	7,786,990		6,239,255	
NET PROFIT		**17,472,753**		**14,773,782**	
Earnings per share					
Basic earnings per share (in Euros)	Note 15	**0.34**		**0.29**	
Diluted earnings per share (in Euros)	Note 15	**0.34**		**0.29**	

Statement of Comprehensive Income

(€/000)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31.12.2024	of which related parties	31.12.2023
Net profit	**17,472,753**		**14,773,782**
Items that may be subsequently reclassified to profit or loss:	-		-
- Exchange rate differences	-		-
Items that may not be subsequently reclassified to profit or loss:	-		-
- Actuarial gains (losses) on employee benefits net of the tax effect	30,861		(31,189)
- Actuarial gains on agents' termination benefits net of the tax effect	3,461		315
Total Comprehensive income	**17,507,075**		**14,742,908**

Cash Flow Statement

(€/000)

Cash Flow	31.12.2024	of which related parties	31.12.2023	of which related parties
OPERATING ACTIVITES				
Net profit	**17,472,753**		**14,773,782**	
Adjustments for:				
-Amortisation and depreciation	2,583,181		2,468,936	
Inventory write-down and bad debt provision	156,425		4,160,008	
Investments write-dowm	495,000		-	
- Net non-monetary financial (income)	2,599,957		2,599,957	
Change in provisions for risks and charges and employee benefits liabilities	(15,096)		(14,744)	
- (Plus) or minus from disposal of fixed assets	-		-	
- (Plus) or minus from disposal of fixed assets and investments	-		404,458	
- Unrealized currency exchange rate (gains) losses	-		-	
Dividends	(10,132,109)		(3,503,921)	
Other non-monetary variations	3,298,090		1,765,279	
Taxes	7,786,990		6,239,255	
Cash flows from operating activities before changes in net working capital	**24,245,190**		**28,893,008**	
(Increase)/decrease in trade receivables	2,209,053	(1,622,090)	1,677,886	497,138
(Increase)/decrease in inventories	1,175,872		3,144,418	
(Increase)/decrease in other current assets	410,122	(537,050)	556,540	(11,374)
Increase/(decrease) in trade payables	1,687,533	1,792,296	(3,520,917)	319,907
Increase/(decrease) in advance from customers	739,737	(1,723,847)	(2,946,516)	719,744
Increase/(decrease) in other current liabilities	(2,205,374)	-	(1,922,111)	-
(Increase)/decrease in non-current assets	-		46,701	
Increase/(decrease) in non-current liabilities	-		54,731	
Dividends received	9,545,213	-	3,503,921	(179,000)
Income taxes paid	(6,039,934)		(5,545,344)	
CASH FLOWS FROM OPERATING ACTIVITIES (A)	**31,767,410**		**23,942,317**	
INVESTING ACTIVITIES	-		-	
(Investments) in property, plant and equipment	(952,744)		(2,310,632)	
Disinvestments in property, plant and equipment	-		368,336	
(Investments) in intangible assets	(410,037)		(545,477)	
Dininvestments in intangible assets	-		100,769	
Disinvestments/(investments) in financial assets	20,008,926	17,498,717	2,504,497	2,503,124
Disinvestments/(investments) in investments	(13,127,838)	(13,132,053)	(1,682,876)	(1,333,450)
Deferred price from the acquisition of controlling interest	-		-	
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	**5,518,306**		**(1,565,383)**	
FINANCING ACTIVITIES	-		-	
Issuance of bank loans	14,080,541		10,000,000	
Repayment of bank loans	(37,654,297)		(33,926,774)	
Change in current bank loans and borrowings	-		(7,000,000)	
Repayment of bonds	(2,527,957)		(2,485,260)	
Increase/(decrease) in other financial liabilities	5,350,865	5,730,853	9,587,823	9,956,004
Dividends paid	(13,803,892)		(10,206,492)	
CASH FLOWS USED IN FINANCING ACTIVITIES (C)	**(34,554,740)**		**(34,030,703)**	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	**2,730,977**		**(11,653,769)**	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (E)	**45,623,993**		**57,277,761**	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**2,730,977**		**(11,653,768)**	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (G=D+E+F)	**48,354,969**		**45,623,993**	

Statement of changes in Shareholders' Equity

(valori in unità di euro)

	Share capital	Legal reserve	Reserve for treasury shares	Other reserves and retained earnings	Profit for the year	Total Equity
Balance at 01.01.2023	**6,000,000**	**1,200,000**	**(2,207,625)**	**53,238,863**	**24,345,719**	**82,576,957**
Allocation of previous period operating profit	-	-	-	24,345,719	(24,345,719)	-
Distribution of dividends	-	-	-	(10,206,492)	-	(10,206,492)
Cancellation of treasury shares	-	-	(359,643)	(346,272)	-	(705,915)
Incentive plans	-	-	78,556	1,073,560	-	1,152,116
Other movements	-	-	-	-	-	-
Total comprehensive net income	-	-	-	(30,874)	14,773,782	14,742,908
Balance at 31.12.2023	**6,000,000**	**1,200,000**	**(2,488,712)**	**68,074,504**	**14,773,782**	**87,559,574**

	Share capital	Legal reserve	Reserve for treasury shares	Other reserves and retained earnings	Profit for the year	Total Equity
Balance at 01.01.2024	**6,000,000**	**1,200,000**	**(2,488,712)**	**68,074,504**	**14,773,782**	**87,559,574**
Allocation of previous period operating profit	-	-	-	14,773,782	(14,773,782)	-
Distribution of dividends	-	-	-	(13,803,892)	-	(13,803,892)
Cancellation of treasury shares	-	-	(523,663)	(166,112)	-	(689,774)
Incentive plans	-	-	-	4,048,979	-	4,048,979
Other movements	-	-	-	-	-	-
Total comprehensive net income	-	-	-	34,323	17,472,753	17,507,075
Balance at 31.12.2024	**6,000,000**	**1,200,000**	**(3,012,375)**	**72,961,584**	**17,472,753**	**94,621,962**

Notes to the Separate Financial Statements

Piovan S.p.A. ("the Company" or "the Parent Company"), the parent company of the group of the same name with registered office in Santa Maria di Sala (VE), via delle Industrie 16, is a joint-stock company enrolled in the Venice Companies' Registration Office.
The 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.
At December 31, 2024, of the Company's total share capital, in the amount of Euro 6,000,000, 58.35% was held by Pentafin S.p.A., while the remainder was distributed among private shareholders and in treasury shares.
The Company is the operative holding company of a group of companies engaged, in Italy and internationally (the "Group" or the "Piovan Group"), in production processes for the storage, transport and treatment of polymers, recycled plastics and bio-resins ("Technical Polymers"), automation systems for the storage and transport of food fluids and food and non-food powders ("Food Systems & Industrial Applications") and technical assistance and marketing of spare parts and services ("Services"). The Group is a global leader in the Technical Polymers market in the design and production of plants and control systems for the automation of all phases of the polymers, recycled plastics and bio-resins production cycle. In particular, over recent years the Group has been particularly engaged in developing and producing systems to automate production processes for the circular economy for recycling and reusing plastic and for the production of plastics which are naturally compostable.

The technical solutions proposed by the Group, which permit the automation and streamlining of all the production and transformation process phases, include, for both the Technical Polymers and Food & Industrial Applications 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 December 31, 2024 comprised of 43 companies located on 4 continents, of which 13 production companies, with 14 production facilities and 30 commercial and service companies.

Declaration and basis of preparation of the separate financial statements

The separate financial statements of the Company at December 31, 2024 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.
IFRS includes all IFRS's, all of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC IC) previously called the Standing Interpretations Committee (SIC) approved by the

European Union at the reporting date of the financial statements and contained in the relative EU Regulations published at that date.
They consist of the statement of financial position, the statement of profit and loss, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flow and these explanatory notes. The financial statements have been prepared on the basis of the historical cost convention, with the exception of the requirements of IFRS 9 - "Financial Instruments", and on a going-concern basis.
The Company, 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 Company's ability to meet its obligations for the next 12 months or for the foreseeable future.
The separate financial statements were prepared in accordance with the updated accounting records.
The "functional" and "presentation" currency of the Company, as defined by IAS 21, is the Euro.
The Separate Financial Statements at December 31, 2024 were approved by the Board of Directors of Piovan S.p.A. on March 20, 2025.
These financial statements are presented in units of Euro, whereas the explanatory notes and related tables 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).

Global conflicts

In early 2022, the outbreak of the war between Russia and Ukraine, and subsequently in Autumn 2023 the Israel-Palestine conflict, marked the start of a period of major global instability, both politically and economically. This context, which continues to evolve, makes an assessments of the impact of future scenarios on the Group's business and performance particularly complex.

The conflicts are continuing to fuel major international humanitarian and social crises and is having major repercussions on the populations of these nations. Due to the international sanctions being used as a deterrent for some of the countries involved, and the tensions in China-USA relations, we are also seeing a significant impact on trade and on their economies, which is exacerbating supply-chain issues.

The situation is constantly developing and the Company - also with the support of external consultants - is monitoring the situation and the international rules closely to assess any impact of the conflict on its operations. In fact, following the enactment of the eleventh EU sanctions package against Russia at the end of June 2023, the Group will no longer be able to operate in Russia. The Group does not have exposure to Russia, Belarus or Ukraine.

2023 Also saw the reignition of strong tensions in the Middle East, where the Group operates albeit with very limited exposure. The situation is also evolving and is constantly being monitored in order to assess any direct and indirect impacts.
At December 31, 2024, the order backlog was slightly lower than the previous year.

However, the indirect consequences of the ongoing Russia-Ukraine conflict and their effects on the global economy may indicate that one or more impairment indicators exist. For the Annual Financial Report, management therefore made assessments in this regard. Based on the outcome of those assessments, with regards to the overall Group, management did not identify indicators of impairment, taking account of the fact that: (i) the company's capitalization at December 31, 2024, remains comfortably above consolidated shareholders' equity at the same date; (ii) the order portfolio remains at good levels, in line with the Group's usual volumes; (iii) the net financial position, which has improved significantly from the previous year, was not impacted by the altered macroeconomic landscape, taking account of the fact that existing financing is at fixed interest rates; and (iv) operating performance in 2024 was very strong, both in terms of revenues and profitability.

Form and contents of the separate financial statements

Financial statements

Statement of Financial Position

The statement of financial position adopted the separation of assets and liabilities between current and non-current, as indicated in paragraph 60 and thereafter of IAS 1.
The assets and liabilities are classified as current when they satisfy the following criteria:

- Assets/liabilities for which it is expected the sale or the utilization in the normal operating cycle, or
- Assets/liabilities principally held-for-trading, or
- Assets/liabilities that are expected to be realized within twelve months of the reporting date.

Where none of these conditions apply, the assets/liabilities are classified as non-current.

Statement of profit and loss

The company has chosen to present the statement of profit and loss adopting the classification by "nature of expense" as this is the most representative of the operations during the year and of its business structure. This structure is in line with the internal management reporting procedures and international best practice for the sector.

Statement of Comprehensive Income

With the adoption of IAS 1 Revised the company decided to present the statement of comprehensive income in a separate statement. The "comprehensive income statement", prepared in accordance with international accounting standards, shows the revenue and cost items which are not recorded in the income statement but recorded directly to equity.

Statement of cash flow

The statement of cash flow is presented using the indirect method. The cash and cash equivalents included in the statement of cash flow include the statement of financial position captions at the reporting date. Interest income and expense, dividends received and income taxes are included in the cash flow generated from operating activities with the exception of interest paid, included in financial cash flows generated from financial management. The cash flow deriving from operating activities, investment activities, the change in the non-current financial position and short-term payables as well as current financial assets are shown separately. Where not specified, the exchange gains and losses are classified under operating activities as these refer to the translation into Euro of trade receivables and payables.

Statement of Changes in Shareholders' Equity

The statement of changes in shareholders' equity illustrates the changes to the shareholders' equity accounts with regard to:

- allocation of the Company's profit for the year;
- amounts relating to transactions with shareholders (payment of dividends, purchase and sale of own shares, contributions received);
- each profit and loss account, net of any tax effects which, as required by IFRS is either directly recorded in equity (gains or losses on the purchase or sale of treasury shares) or is recorded in an equity reserve (share-based payments in relation to stock-option plans);
- movements in the cash flow hedge reserve, net of any tax effect;
- the effect deriving from changes in accounting standards.

Changes in the main accounting standards applied and effects of the new standards

The separate financial statements for 2024 were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) endorsed by the European Commission and in force at the reporting date.
The preparation of the separate financial statements in accordance with IAS/IFRS requires management to make estimates and assumptions which have an impact on the amounts reported in the financial statements and the relative notes; actual results may differ from the estimates made. Please refer to the paragraph "Use of estimates" for a description of the areas most subject to the use of estimates.
In the preparation of these separate financial statements at December 31, 2024 the accounting standards adopted are those as utilized in the preparation of the separate financial statements at December 31, 2023, with the exception of what outlined in the "Change in the main accounting standards applied and the effects of the new standards" in the notes to the consolidated financial statements.

Accounting principles and policies

Property, plant and equipment

Property, plant & equipment are recognized at historical cost, including directly allocated accessory costs and those necessary for bringing the asset to the condition for which it was acquired.
Leasehold improvements and maintenance expenses which produce a significant and tangible increase in the production capacity or safety of assets, or which lengthen their useful lives, are capitalized and recognized as an increase to the relative asset and are depreciated together with the original asset. Ordinary maintenance costs are charged directly to the statement of profit and loss.
Property, plant & equipment are presented net of accumulated depreciation and any losses in value, calculated as described below. Depreciation is calculated on a straight- line basis over the estimated useful life of the asset. This period is reviewed annually and any changes are made on a prospective basis.
The depreciation rates used are as follows:

Industrial buildings:	from 3% to 5%
Plant & machinery:	from 5% to 15.5%
Industrial and commercial equipment:	from 12% to 20%

Land has an indefinite useful life and is therefore not subject to depreciation.
Leasehold improvements are classified under "Property, plant and equipment" in line with the nature of the cost incurred. The depreciation period corresponds to the lower of the residual useful life of the asset and the duration of the lease contract.
At the time of sale, or when there are no expected future economic benefits from the use of an asset, it is eliminated from the financial statements and any loss or profit (calculated as the difference between sale's price and book value) is charged to the statement of profit and loss in the year of its elimination.

Right of use assets

Assets held through leasing contracts, as provided for by IFRS 16, through which the Company holds the right to use the asset, are recognized as assets by the Company, under "right-of-use", at their cost, which includes the present value of the minimum lease payments due, any payment or contribution received even before the commencement date, direct initial costs, estimate of the costs that will have to be incurred for the restoration, dismantling, removal of the underlying asset in accordance with the contractual conditions.
The corresponding liability to the lessor, equal to the present value of payments due for the lease and not paid at the date of initial recognition, is recognized under financial payables. If the lease transfers ownership of the underlying asset to the Company (in those cases where the Company is the lessee) at the end of the lease term or if the cost of the asset consisting of the right of use reflects the fact that the Company will exercise the purchase option, the Company will amortize the asset consisting of the right of use from the effective date until the end of the useful life of the underlying asset. If this is not the case, or if no transfer is envisaged, the asset consisting of the right of use is amortized, from the date of commencement of the lease, over the shorter of the useful life of the asset consisting of the right of use and the duration of the lease.

For the purpose of presenting the statement of financial position, right-of-use assets have been broken out separately, whereas liabilities relating to leasing are classified under “Current financial liabilities” and “Non-current financial liabilities”.
The Company applies the exception for the recognition of short-term leases for machinery and equipment (i.e. leasing with a duration of 12 months or less from the commencement date and not containing a purchase option). The Company has also applied the exception for leases concerning assets of a modest value with regards to the leasing contracts on office equipment whose value is considered low. The short-term lease instalments and those for low value assets are recognized as costs on a straight-line basis over the lease duration and included under “Service costs”.

Goodwill

Goodwill under intangible assets is related to business combinations and is determined, as more fully described in the paragraph "Business combinations", as the excess of the sum of the consideration transferred in the business combination, the value of shareholders' equity attributable to minority interests and the fair value of any previously held interest in the acquired company over the fair value of the net assets acquired and liabilities assumed at the acquisition date.
Goodwill is not amortized; an impairment test is undertaken annually to verify any loss in value, or more frequently if specific events or changed circumstances indicate the possibility of an impairment, in accordance with IAS 36 “Impairment of assets”.
For the purpose of the impairment test the, goodwill is allocated to each of the Group's cash generating units (or groups of cash generating units) that are expected to benefit from the synergies of business combinations.

Other intangible assets

These are identifiable non-monetary assets, without physical substance, subject to the control of the company, capable of bringing future economic benefits to the company. They are initially recognized at cost when they can be reliably measured in the same way as property, plant and equipment.
These assets are subsequently recorded net of accumulated depreciation and any impairment losses. The useful life is reviewed periodically and any changes, where necessary, are made in accordance with future estimates. Any internally generated intangible assets are capitalized, within the limits and under the conditions set forth in IAS 38.
The estimated average useful life is between 3 and 10 years.
The gains and losses deriving from the disposal of intangible assets are determined as the difference between the disposal amount and the carrying amount of the asset and are recorded in the statement of profit and loss at the moment of the disposal.

Investments

Investments in subsidiaries, associates, and joint ventures are measured at cost and are the subject of periodic impairment testing to determine whether there have been any permanent losses in value. Impairment testing is done whenever there is an indication that the equity investment may have suffered a loss in value. The method used is the same as described in the paragraph “Impairment of non-financial assets”. Whenever an impairment loss is confirmed, it is recognized in the period in which it is detected. When the reasons for the impairment loss cease to exist, the carrying amount of the investment is increased up to its original cost. This, too, is recognized on the statement of profit and loss.

Other non-current assets

The account mainly includes security deposits. These assets are measured at their estimated realizable value.

Deferred tax assets

The accounting of the deferred tax assets is made on the basis of the expectations of future taxable income for the Company and on the possibility of transferring certain tax benefits onto the companies involved in the national tax consolidation of Pentafin S.r.l. The evaluation of the expected assessable income in order to record the deferred tax asset depends upon factors which may change over time and result in significant effects on the recovery of the deferred tax asset.

Impairment of non-financial assets

Should there be an indication of an impairment loss in property, plant and equipment or in intangible assets, the estimated recoverable value of the asset needs to be measured in order to determine the amount of the loss. For goodwill or assets with indefinite useful life, impairment testing is conducted at least once each year. The recoverable value of an asset is the higher between the fair value less costs to sell and its value in use. In the absence of a binding sales agreement, the fair value is estimated on the basis of the values on an active market, from recent transactions or on the basis of the best information available to reflect the amount which the entity could obtain from the sale of the asset. Value in use is calculated as the present value of the expected future cash flows generated by using the asset, net of taxes and of its disposal value at the end of its useful life, if this can be reasonably determined. The discounting is made applying a post-tax discount rate which reflects the current market assessment of the time value of money and the risks specific to the asset. The valuation is made by individual asset or for the smallest identifiable group of assets which generate independent cash flows deriving from continual utilization (“cash generating unit”). An impairment loss is recognized when the recoverable amount is less than the carrying amount. When the reasons for the write-down no longer exist, the assets, except goodwill, are revalued and the adjustment is recorded to the statement of profit and loss as a revaluation (restatement of value). The revaluation is the lower between the recoverable value and the recognition value before the write-down previously made, reduced by the share of amortization which would have been recorded if the write-down had not been made.

Inventories

Inventories are stated at the lower of purchase and/or production cost, determined by the weighted average cost method, and the net realizable value. Purchase cost includes ancillary charges; production cost includes directly attributable costs and a portion of indirect costs, reasonably attributable to the products.
With regard to work in progress, the valuation was carried out at the weighted average cost for the year, including ancillary charges attributable to the production process, taking into account the progress of the work carried out.
Obsolete and/or slow-moving inventories are written down in relation to their expected future utilization through the recording of an obsolescence provision.
Write-downs are restored in future years should the reason for the write-down no longer exist.

Contract assets and liabilities for work in progress

Contractual assets and liabilities are recognized and measured in accordance with IFRS 15 – Revenue from Contracts with Customers. These items arise with reference to the execution of contracts in which the recognition of revenues takes place over time. For these contracts, the Company records sales revenues in proportion to the progress of the performance obligation, which is measured using the cost-to-cost method. Given that the analysis is carried out contract by contract, the recording in the statement of financial position is as follows: when the costs incurred, increased by the related margins recorded, exceed the advances received from customers, the difference is recognized as an amount due from customers under assets in the item Assets for contract work in progress, when the advances received from customers exceed the costs incurred, increased by the related margins recorded, the difference is recognized as an amount due to customers under liabilities in the item Liabilities for contract work in progress. On the basis of the analyses carried out by the Company with reference to the recognition of performance obligations, at December 31, 2023 the Company should not recognize any Assets and liabilities for contract work- in-progress as there are no contracts in progress whose revenues should be recognized over time.

Trade receivables

Receivables are initially recorded at fair value, which corresponds to their nominal value, and subsequently measured at amortized cost and reduced in the event of impairment. In addition, they are adjusted to their estimated realizable value by recording a specific adjustment provision in accordance with IFRS 9.
Receivables in foreign currencies are recorded at the transaction exchange rate and, subsequently, translated at the year-end rate. The gain or loss resulting from translation is recognized in the statement of profit and loss under Exchange gains/(losses).

Financial instruments

Financial assets and Debt instruments

Depending on the characteristics of the instrument and the business model adopted for its management, the financial assets, which represent debt instruments, are classified in the following three categories:

(i) financial assets measured at amortized cost;

(ii) financial assets measured at fair value with recognition of the effects to other comprehensive income (also, OCI);

(iii) financial assets measured at fair value with changes recognized in the statement of profit and loss.

Initial recognition is as fair value. For trade receivables without a significant financial component, the amount of initial recognition is the price of the transaction.

After initial recognition, financial assets that generate contractual cash flows that represent exclusively capital and interest payments are measured at amortized cost, if held for the purpose of collecting the contractual cash flows (business model hold to collect). Using the amortized cost method, the initial carrying amount is subsequently adjusted to take account of capital repayments, any write-downs and the amortization of the difference between the repayment value and the initial carrying amount. Amortization is carried out on the basis of the effective internal interest rate which represents the rate that makes the present value of expected cash flows and the expected initial carrying amount at the time of initial recognition. Receivables and other financial assets measured at amortized cost are shown net of the related doubtful debt provision.

Financial assets represented by debt instruments whose business model provides both the possibility of collecting contractual cash flows and the possibility of realizing capital gains on disposal (so-called business model hold to collect and sell), are measured at fair value with the effects recognized to OCI (hereafter FVTOCI). In this case, changes in the fair value of the instrument are recognized in equity, among other components of comprehensive income. The cumulative amount of changes in fair value, recognized in the equity reserve that includes the other components of comprehensive income, is reversed to the statement of profit and loss when the instrument is derecognized. Interest income calculated using the effective interest rate, exchange rate differences and write-downs are recorded in the statement of profit and loss.

A financial asset representative of a debt instrument which is not valued at amortized cost or at FVTOCI, is valued at fair value with recognition of the effects to the statement of profit and loss (hereafter FVTPL).

Financial assets sold are derecognized when the contractual rights to obtain the cash flows associated with the financial instrument expire or are transferred to third parties.

Write-downs of financial assets

In relation to the loss in value of the financial assets, IFRS 9 requires the application of a model based on expected credit losses, instead of based on the losses on receivables already incurred required by IAS 39. The differing model based on expected losses on receivables requires the Company to consider these

losses and their changes and at each reporting date to reflect changes in the credit risk since the initial recognition of the financial asset.
This rule applies to:

- Investments in debt instruments valued subsequently at amortized cost or FVTOCI;
- Financial lease receivables;
- Trade receivables and contract work-in-progress;
- commitments to issue loans and guarantee contracts to which the reduction in value provisions of IFRS 9 apply.

In particular, IFRS 9 requires that the Company measures the provision to cover the losses of a financial asset at an amount equal to the expected losses over the lifetime of the receivable (lifetime expected credit losses, ECL), where the credit risk of this financial asset is significantly increased after initial recognition, or where the financial instrument is an acquired or arising deteriorated financial asset. Therefore, where the credit risk of a financial instrument has not increased significantly after initial recognition (except for an acquired or arising deteriorated financial asset), the Company should measure the coverage of losses provision for the financial instrument for an amount equal to the expected credit losses from a default event in the 12 subsequent months (12-months expected credit losses). IFRS 9 in addition, in such circumstances, requires the adoption of a simplified method to measure the provision for the coverage of losses for the trade receivables, the contract assets and the finance lease receivables, estimating the lifetime expected credit losses.

Financial liabilities

Financial payables and bonds are recognized at initial cost, corresponding to the fair value of the amount received, less the accessory charges for acquiring the instrument. After initial recognition, financing is measured at amortized cost, which calls for amortizing the amount using the effective interest rate, which is the rate that renders equal, on the initial recognition, the value of expected cash flows and the initial recognition amount. Charges related to financing are recognized as a reduction to the liability value of the financing granted, and the amortized cost is calculated by taking account of these charges and any discounts or premiums applicable at the time of settlement. The effects of measurement at amortized cost are recognized through profit or loss as “Financial income/(expense)”.
A financial liability is derecognized from the financial statements when the underlying liability is settled or cancelled. If an existing financial liability is replaced by another by the same lender but under substantially different conditions, or if the conditions of an existing financial liability are substantially changed, such a swap or change is treated as an elimination of the original liability and the opening of a new liability, with any differences in accounting values recorded in the statement of profit and loss.

Derivative financial instruments and hedging activity

Derivative financial instruments are recognized at fair value at the time at which the contract is signed and at subsequent reporting dates. The method for recognizing gains or losses from fair value measurement vary based on whether or not the conditions are met for hedge accounting as per IFRS 9.

The purposes of hedging are assessed based on the objectives of risk management. Should the conditions for hedge accounting in accordance with IFRS 9 not be met, the related financial derivative instruments are recognized as financial instruments measured at fair value through profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits on demand and other uses of treasury with original maturity of no more than three months or otherwise readily liquid without significant costs or losses.

Shareholders' Equity

The share capital is entirely comprised of ordinary shares which are classified under shareholders' equity. Incremental costs directly attributable to the issuance of ordinary shares are recorded as a decrease in equity, net of the tax effect.
In the event of purchasing treasury shares, the consideration paid, including directly attributable costs and net of tax effects, is recognized as a reduction to equity. The treasury shares purchased are recognized as a reduction of shareholders' equity. The consideration received on the subsequent disposal of treasury shares is recognized as an increase to equity. Any positive or negative difference resulting from the transaction is transferred to/from retained earnings.

Earnings per share

The ordinary basic earnings per share is calculated by dividing the result of the Parent Company by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares.
The ordinary diluted earnings per share is calculated by dividing the result of the Parent Company by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares, and adjusted to take into account the number of potential shares that could be issued.

Employee benefits plans

This item includes the provision for employee severance indemnities ("TFR") and the other provisions for employee benefits envisaged by IAS 19 "employee benefits". As a defined benefit plan, TFR is recognized on the basis of valuations made at the end of each financial year by independent actuaries. The liability recorded in the statement of financial position represents the present value of the obligation payable at the end of the employment relationship, which employees have accrued at the reporting date calculated taking into account the results obtained by applying the projected unit credit method. As a result of Law No. 296/06, which amended the system of employee severance indemnities payable to employees, the severance indemnities accruing from January 1, 2007 now form a defined-contribution plan (defined contribution plan, using the terminology provided by IAS 19), both in the case of allocation to the treasury fund at the INPS (National Social Security Institute) and in the case of a supplementary pension option.

The provision accrued up to December 31, 2006 remains a "defined benefit plan" with the consequent need to make actuarial calculations which, however, must exclude the component relating to future salary increases. It should be noted that there are no assets serving the plan. Actuarial gains and losses are recognized in full in the period in which they arise and, in accordance with IAS 19 as amended, from 2015 these gains and losses are recognized directly in the comprehensive statement of profit and loss.

Provisions for risks and charges

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", provisions are recognized: (i) when there is an obligation (legal or constructive) resulting from a past event, (ii) it is probable that resources will be used to settle the obligation and (iii) a reliable estimate can be made of the amount resulting from the settlement of the obligation. Changes in estimates between one year and the next are charged to the statement of profit and loss.
If the financial effect linked to time is significant and the dates of payment of the obligation can be reliably estimated, the provision is shown at present value. The subsequent change linked to the passage of time is recorded in the statement of profit and loss under financial components.
For possible but not probable risks, no provision is made but an adequate description is provided in the Notes.

Trade payables and other current liabilities

Trade payables and other current liabilities, whose due dates fall within normal commercial terms, are initially recorded at fair value, identified by their nominal value, and are not discounted. If the maturity date is not within normal commercial terms, the financial component is separated using an appropriate market rate.

Potential assets and liabilities

Potential liabilities are possible obligations deriving from past events, whose existence will be confirmed only on the occurrence or otherwise of one or more uncertain future events not fully under the control of the entity. These liabilities are not recognized on the statement of financial position as it is likely that their settlement will not require the use of resources that would produce an economic benefit or the amount can not be determined to a significant degree of reliability. Potential assets are probable assets deriving from past events, whose existence will be confirmed only on the occurrence or otherwise of one or more uncertain future events not fully under the control of the entity. They are disclosed when future economic benefits are probable. When future economic benefits are virtually certain, the potential asset is recognized on the statement of financial position.

Incentive Plans

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

Assets held for sale and discontinued operations

Non-current assets (and disposal groups) are classified as held for sale when their carrying value is expected to be recovered by means of a sales transaction rather than through use in company operations. Assets held for sale are recognized as such when there is the intention by an appropriate level of management to dispose of such assets by way of sale when such sale is likely to happen within 12 months. The classification of assets and liabilities, and of revenue and expenses is done in accordance with IFRS 5, distinguishing between assets available for sale and discontinued operations.

Revenue from contracts with customers

Revenue from contracts with customers is recognized based on a model that includes five steps: (i) identification of the contract with the customer; (ii) identification of the performance obligation established by the contract; (iii) determination of the transaction's consideration; (iv) assignment of the transaction's consideration to the performance obligation; and (v) recognition of the revenue either at a point in time or over time, based on when the specific performance obligation is to be met.
The Group and Company operates internationally in the Technical Polymers Systems, Food & Industrial Applications Systems and Services and Spare Parts markets, as defined in the section "General Information". The Group is a global leader in the Technical Polymers market in the design and production of plants and control systems for the automation of all phases of the polymers, recycled plastics and bio-resins production cycle.
In order to provide the qualitative disclosures required by IFRS 15, it should be noted that the Company and the Group's revenues can also be broken down into:

- revenues from the sale of automation systems for the storage, transport and processing of polymers, recycled plastics and bio-resins ("Technical Polymers Systems") and automation systems for the storage and transport of food liquids and food and non-food powders ("Food & Industrial Applications systems"): an analysis of the contracts usually entered into with customers show that there are two macro-categories of contracts in which to divide the revenues from the sale of plant and ancillary equipment according to how the performance obligations are met. Specifically:
- contracts in which performance obligations are met "at a point in time": this category includes sales of systems, plants and equipment, mainly in the Technical Polymers Systems market. This category includes contracts that generally provide for a single performance obligation represented by the supply of the plant/equipment and others in which there are three performance obligations represented by (i) the design of machinery and engineering solutions and the production of plant and systems; (ii) installation and (iii) start-up and parameterization. In these types of contractual relationships, the Group recognizes revenues when the customer obtains control of the asset, normally identified, according to the contractual conditions, on

shipment or delivery of the plant/product to the customer, while for the other two performance obligations the revenue is recorded when the service is provided. It is specified that, on average, systems/equipment belonging to this category require an execution time of between three and six months and that the general terms and conditions of sale provide for advance payments recorded under the item Advances from customers.

- contracts in which the performance obligations are met "over time": typically these are the sale of certain plants in the Technical Polymers Systems market and those in the Food & Industrial Application Systems market with a high degree of customization required by customers and in which the contractual conditions provide that control of the asset is transferred to the customer either on testing or on installation. It is considered that the contractual performance obligation is unique and that it is fulfilled over time since the product system has no alternative use for the company, being very specific and customized, and since the Group is entitled to receive a fee for what has been completed on the date in the event of cancellation of the order. Therefore the Group records the sales revenues of these plants in proportion to the progress on the performance obligation. In order to determine progress, an input method is used, i.e. the cost-to-cost method, which provides for the proportion of contract costs incurred for work carried out up to the reporting date to the total estimated contract costs. Estimates are based on contract forecasting and reporting data and, where necessary, estimates of contract revenues and costs are revised. Any economic effects are recognized in the period in which the updates are made. Generally, the execution time required for these installations is not more than one year and payments on account are foreseen.

Contract work in progress is stated net of advances concerning the contract in course of execution. Given that the analysis is carried out contract by contract, the recording in the statement of financial position is as follows: when the costs incurred, increased by the related margins recorded, exceed the advances received from customers, the difference is recognized as an amount due from customers under assets in the item Assets for contract work in progress, when the advances received from customers exceed the costs incurred, increased by the related margins recorded, the difference is recognized as an amount due to customers under liabilities in the item Liabilities for contract work in progress. On the basis of the analyses carried out by the Company with reference to the recognition of performance obligations, at December 31, 2022 the Company should not recognize any Assets and liabilities for contract work- in-progress as there are no contracts in progress whose revenues should be recognized over time.

- revenues from spare parts sales: revenues from the sale of spare parts are recognized on the transfer of the goods. This normally takes place when the goods are shipped or delivered.
- revenue for technical assistance services: service Revenue is recognized on completion and/or maturation.

Revenues are recognized net of discounts. In the event of contracts with customers than include more than one performance obligation, the discount is allocated in proportion to the fair value of each performance obligation.

Costs

Costs are accounted for on an accrual basis and in accordance with the matching concept of revenues and expenses. Costs are classified according to their nature.
In accordance with IAS 38 "Intangible Assets", advertising and research costs fully expensed to the statement of profit and loss.

Interest

Interest income and expense are recorded on an accrual basis with regard to interest accrued on the net value of financial assets and liabilities using the effective interest rate.
On the statement of cash flow, interest expense paid during the year is recognized among financing activities.

Other indirect taxes and duties

Indirect taxes and duties are recognized in the period concerned as “Other operating expenses”.

Dividends

Dividends received from shareholdings are recognized as income when the right for the Company to receive the dividend arises, i.e. when distribution of the dividend is approved by the shareholders, and when it is probably that the economic benefits of the dividend will go to the Company.
On the statement of cash flow, dividends received by the Group during the year is recognized among operating activities.

Government grants and grants from other public entities

Government grants are recognized when it is almost certain that the conditions required to obtain them will be satisfied and that they will be received.

The public grants relating to property, plant and equipment are recorded as deferred revenue in the account “Other non-current liabilities”. The deferred revenue is recorded in the statement of profit and loss as income on a straight-line basis in accordance with the useful life of the asset to which the grant was received.

Operating grants are recorded in the statement of profit and loss in the account Other revenue and income.

Income taxes

Taxes are determined by applying the regulations in force at the reporting date or substantially in force in the countries in which the Company carries out its activities; current tax liabilities are recorded in the statement of financial position net of any payments on account.

A provision is recorded on those tax aspects for which the determination of taxes is subject to uncertainty, but for which the future payment to the tax authorities is considered probable. The provisions represent the best estimate of the amount that is expected to be paid. The assessment is made by the administrative department, which has previous experience in the tax field and in some cases with the support of external tax consultants.

Deferred tax assets and liabilities reflect the temporary differences between the value attributed to an asset or liability in accordance with IAS/IFRS and the value attributed to them for tax purposes, valued on the basis of the tax rates in force or substantially in force for future years. Deferred tax assets are recognized only if there is a likelihood of their recoverability, i.e. when it is considered probable that there will be future taxable income to use them. Deferred taxes are always recognized except for certain situations that are not in line with IAS 12 "Taxes" as in the case of the recognition of goodwill or if the temporary difference arises from the initial recognition (in addition to a business combination) of other assets and liabilities in a transaction that affects neither taxable profit nor profit for the year. Deferred tax assets and liabilities are offset when there is a legal right to offset current tax receivables and payables and when they relate to income taxes applied by the same tax authority and the Company intends to settle the receivables and payables on a net basis. The Company does not offset deferred tax assets against deferred tax liabilities. Deferred taxes on the tax-suspended reserves of the consolidating company are recorded in the year in which the liability relating to the payment of the dividend is recorded.

Deferred tax liabilities are recognized on taxable differences arising from investments in subsidiaries and associates, unless the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are recognized only to the extent that it is probable that there will be sufficient taxable profits against which the benefits of the temporary difference can be used and are expected to reverse in the foreseeable future.

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 statement of profit and loss.

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 statement of profit and loss.

The main exchange rates (currency for 1 euro) used to translate the financial statements in currencies other than the euro for the years ended December 31, 2024, and December 31, 2023 (comparative data), are summarized below:

Currency		Average rate		Closing rate	
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
BRL	Brazilian Real	5.83	5.40	6.43	5.36
CAD	Canadian Dollar	1.48	1.46	1.49	1.46
CZK	Czech Koruna	25.12	24.00	25.19	24.72
CNY	Yuan Renminbi	7.79	7.66	7.58	7.85
GBP	Pound Sterling	0.85	0.87	0.83	0.87
HUF	Forint	395.30	381.85	411.35	382.80
MXN	Mexican Peso	19.83	19.18	21.55	18.72
SGD	Singapore Dollar	1.45	1.45	1.42	1.46
USD	US Dollar	1.08	1.08	1.04	1.11
THB	Baht	38.18	37.63	35.68	37.97
INR	Indian Rupee	90.56	89.30	88.93	91.90
TRY	Turkish Lira	35.57	25.76	36.74	32.65
AED	UAE Dirham	3.97	3.97	3.82	4.06
JPY	Yen	163.85	151.99	163.06	156.33
VND	Dong	27,113.00	25,771.00	26,478.00	26,808.00
MAD	Dirham Marocco	10.76	10.96	10.51	10.93
KRW	Won sud	1,475.40	1,412.88	1,532.15	1,433.66
TWD	Taiwan Dollar	17,157.68	16,479.62	16,820.88	17,079.71
IDR	Indonesian Rupee	34.75	33.70	34.06	33.87

Use of estimates

When preparing these separate 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 statement of financial position, the statement of profit or loss and the statement of cash flow, 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.

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

- Impairment testing of equity investments: this is done to determine the recoverability of the investment in the event of indications of a loss in value. The determination of the recoverable value of the investment requires the use of estimates that depend on factors that may change over time.

It should also be noted that the forecasts on the basis of which the financial statements have been prepared take account of the macroeconomic landscape and ongoing conflicts.

Impairment tests for investments

The Company conducts impairment tests to verify potential losses in value of investments when there are indicators that such a loss may have occurred. For the purposes of this test, the recoverable value generated by the cash generating units (CGUs) was determined as value in use using the discounted cash flow method. When applying this method, the Company uses various assumptions, including an estimate of future increases in sales, operating costs, the growth rate of terminal values, capex, changes in working capital and the weighted average cost of capital (discount rate).
Changes in the main estimates and assumptions in the preparation of the forecast data relating to the CGU's used for the test, as well as the other variables, could change the value in use and the result of the realizable value of the assets recorded.

Doubtful debt provision

The doubtful debt provision reflects management's estimate on losses on the client portfolio for both direct customers and the sales network. The estimate of the doubtful debt provision is based on the expected losses by the Company, determined based on past experience for similar receivables, current and historic amounts overdue, losses incurred and collections, careful monitoring of the credit quality and projections on economic and market conditions and on the estimate of the losses based on the expected losses model. An economic and financial crisis could lead to a further deterioration of the financial conditions of the Company's debtors compared to that already taken into account in the quantification of the provisions recorded in the consolidated financial statements.

Inventory obsolescence provision

The inventory obsolescence provision reflects management estimates on the expected losses in value by the Company, determined based on past experience, the historic trend and market expectations. A deterioration in the general economic and financial conditions could result in a further worsening of the market conditions compared to that already taken into consideration in the calculation of the provisions recorded in the consolidated financial statements.

Fair value estimate

IFRS 13 is the only source of reference for fair value measurement and for the relevant information when such a measurement is required or permitted by other accounting standards. The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRS 13 establishes a fair value hierarchy that classifies the valuation technique inputs used to measure fair value in three levels. The levels provided for, in hierarchical order, are as follow:

- Level 1 inputs: are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs: are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs: are unobservable inputs for the asset or liability.

For information on the valuation techniques applied, please refer to the specific notes to assets and liabilities.

Information on risks and financial instruments

In preparing the financial statements, IFRS 7 requires additional disclosures that enable the reader to assess the relevance of financial instruments within the overall financial performance and standing of the Company, as well as the nature and amount of risks deriving from financial instruments to which the Company is exposed during the year and at the reporting date and the manner in which they are managed.
The additional information required by IFRS 7 supplements the information required by IAS 32 "Financial instruments: disclosure and presentation" and IFRS 9 "Financial instruments".
The accounting policies applied when preparing the consolidated financial statements in relation to financial instruments are described in the section "Measurement criteria".
Company operations are exposed to a series of financial and operating risks which may impact the balance sheet/financial position, the result and the cash flows, through the relative impact on financial instrument transactions.
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 Company's financial 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.
The level of the Company's exposure to the various categories of financial risk identified is commented upon below.

Credit risk

The Company operates on various national markets with a large number of medium and large-sized customers, mainly end customers in the various countries. Consequently, the Company is exposed to credit risk linked to the ability of its customers to settle the amounts due.
The Company applies a policy based on the credit ratings and credit limits for its customer base and the periodic issue of standard reports, in order to achieve a high degree of control over debt collection.
The Company directly manages the collection of receivables on sales made in the respective markets and their possible recovery, also through the activation of legal actions. Coordination between companies operating in the same market (e.g. Italian companies) is based on the electronic exchange of information relating to common customers and through coordination on the possible blocking of deliveries or the initiation of legal action.
The doubtful debt provision is recorded on the nominal value of the portion considered non-collectable after deducting the receivables backed by bank guarantees. All guarantees are critically assessed with regard to collectability.

The Directors have not observed a deterioration in credit quality or in collection times as a result of the COVID-19 pandemic and the continuation of the Russia-Ukraine conflict; therefore, it has not been necessary to make significant changes to how receivables are being managed. In addition, neither the payment terms applied nor the policies for managing credit risk have been changed, but we have prudently increased the level of monitoring of customer positions. The breakdown by maturity of the assets within the scope of IFRS 9 is presented below:

€/000	Due to expire	Overdue whithin 30 days	Overdue between 1 and 12 months	Overdue over 12 months	Provision	31.12.2024
Current trade receivables	11,897	4,029	5,712	1,226	(1,410)	**21,454**
Current and non current financial assets	10,470	-	-	-	-	**10,470**
Tax receivables	825	-	-	-	-	**825**
Other current and non current assets	1,932	-	-	-	-	**1,932**
Total	**25,124**	**4,029**	**5,712**	**1,226**	**(1,410)**	**34,681**

€/000	Due to expire	Overdue whithin 30 days	Overdue between 1 and 12 months	Overdue over 12 months	Provision	31.12.2023
Current trade receivables	15,003	5,109	3,900	1,072	(1,420)	23,664
Current and non current financial assets	33,980	-	-	-	-	33,980
Tax receivables	1,313	-	-	-	-	1,313
Other current and non current assets	1,566	-	-	-	-	1,566
Total	**51,862**	**5,109**	**3,900**	**1,072**	**(1,420)**	**60,523**

Liquidity risk

The company’s debt mainly bears a fixed rate of interest. Given the high level of liquidity available, the Company has a limited risk with regard to short-term maturities and therefore the risk associated with interest rate fluctuations, which incurred significant rises during the year, is essentially linked to the limited portion of medium/long-term loans expressed at variable rates.

The Company deals mainly with well-known and reliable customers; it is the Company s policy to subject the positions of customers who request payment extensions to the credit line and to constantly monitor them. In addition, the Company’s activities are characterized by customer advances against orders placed, which significantly reduces the financial requirements related to working capital.

The Company has a balanced net financial position and has been able to generate positive cash flows that are considered sufficient to finance both its growing operations and investments. Expectations for future years are consistent with this historical trend and therefore the liquidity risk is considered limited overall. Furthermore, given the Company’s performance, this risk is not believed to have been heightened by the current macroeconomic landscape and the ongoing conflicts.

As required by IFRS 7, the cash flows relating to the Group's financial liabilities by maturity are presented below:

€/000	Within 1 year	From 1 to 5 years	Over 5 years	Total flows	31.12.2024
Long term loan	34,227	62,537	-	96,764	92,927
Banks borrowings	-	-	-	-	-
Other financial liabilites	53,756	1,172	-	54,928	54,928
Liabilities for options granted to non-controlling interests	-	-	-	-	-
Trade payables	26,950	-	-	26,950	26,950
Tax liabilities and social security contributions	4,021	-	-	4,021	4,021
Other liabilities	6,177	796	-	6,973	6,974
Total	**125,131**	**64,505**	**-**	**189,636**	**185,800**

€/000	Within 1 year	From 1 to 5 years	Over 5 years	Total flows	31.12.2023
Long term loan	38,453	81,918	-	120,371	116,191
Banks borrowings	-	-	-	-	-
Other financial liabilites	34,590	14,497	-	49,087	49,088
Liabilities for options granted to non-controlling interests	-	-	-	-	-
Trade payables	25,263	-	-	25,263	25,263
Tax liabilities and social security contributions	4,245	-	-	4,245	4,245
Other liabilities	8,502	1,754	-	10,256	10,257
Total	**111,053**	**98,169**	**-**	**209,222**	**205,042**

Market risk linked to the exchange rate

As the Company’s business is undertaken in various countries around the world, it is exposed to the risk of foreign exchange fluctuation. The exchange rate risk arises mainly from transactions involving the US dollar and the British pound.

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.

Revenues (€'000)	31.12.2024				31.12.2023			
	FX Current currency	Current Forex in €	Forex +10%	Forex -10%	FX Current currency	Current Forex in €	Forex +10%	Forex -10%
EUR-Euro	117,028	117,028	117,028	117,028	116,207	116,207	116,207	116,207
USD-US Dollar	14,052	12,987	11,802	14,425	16,935	15,591	14,238	17,402
GBP-British Sterling	1,619	1,910	1,738	2,124	1,476	1,691	1,542	1,885
TOTAL		**131,925**	**130,568**	**133,577**		**133,490**	**131,987**	**135,494**

Market risk related to interest rate

The interest rate risk is the risk that the value of a financial instrument and/or the level of cash flows generated by it might change due to fluctuation in market rates of interest.

Exposure to the interest rate risk arises from the need to finance operating activities, in terms of manufacturing activities and financing the acquisition of businesses, as well as the employment of available liquidity. The change in market interest rates may impact negatively or positively on the result of the Company, indirectly impacting upon the costs and returns of the financing and investing operations. As described above, largest part of the Company's loans are at a fixed rate. The Company has not put in place any significant hedging as, given the Group's high liquidity, it is believed that the risk of fluctuations in interest rates, on the limited amount of debt at variable rates, can still be adequately managed.

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 1% and 2% in interest rates.

Interest rates on floating rate loans	Interest Rates	+1.00%	+2.00%	-1.00%	-2.00%
31.12.2024	3,491	4,238	4,999	2,715	1,953

Risks associated with economic conditions

The global macroeconomic landscape can have an impact on the Company’s financial performance and standing. However, the Company's and its subsidiaries presence in different geographical areas makes it possible to mitigate the overall risk and to benefit from possible improvements in some areas compared to others.

In addition, as already described in detail, 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.

In the same way, the great geopolitical tensions surrounding the conflict between Russia and Ukraine, as well as the conflict in the Middle East which began in October 2023, may lead to significant international humanitarian and social crises with major impacts on the people in these countries, as well as on the global economy and on the Group. International sanctions, used as a deterrent for certain countries involved in the conflicts, have had a significant impact on global trade and have led to a sharp increase in production costs, particularly in terms of energy, which has fueled an inflationary spiral that central banks are seeking to control by further tightening monetary policy and increasing interest rates. The situation is constantly evolving and the Company is monitoring the markets closely to assess any impact it may have on the business.

However, it should be noted that the Group has limited exposure to the regions involved in the war (i.e. Ukraine, Russia, Belarus, Palestine and Israel) both in terms of sales and purchases; therefore, assuming that the impact of the conflict remains contained to those regions, this should not have a significant impact on Group performance.

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

For a detailed description of the additional risks to which the Company is exposed — and in particular (i) Risks related to market performance, (ii) Product and component price risk, (iii) Supply chain risks, and (iv) Risks associated with climate change — see the section “Principal risks and uncertainties to which the Group is exposed” of the Directors’ Report.

Notes to the Separate Statement of financial position of the separate financial statements

[1] Property, plant and equipment

The item amounts to Euro 26,730 thousand at December 31, 2024 (Euro 27,662 thousand at December 31, 2023). They are composed as shown in the following tables, which show their composition and changes compared to the previous year.

Category		Balance at 31.12.2023	Additions	Disposals	Reclasses	Depreciation	Balance at 31.12.2024
Land and buildings	Historical cost	28,828	7	-	131	-	28,966
	Depr. fund	(9,028)	-	-	-	(705)	(9,732)
	Total	**19,800**	**7**	**-**	**131**	**(705)**	**19,234**
Plant and machinery	Historical cost	12,824	298	(99)	201	-	13,225
	Depr. fund	(6,884)	-	86	-	(655)	(7,453)
	Total	**5,940**	**298**	**(12)**	**201**	**(655)**	**5,772**
Industrial and commercial equip.	Historical cost	3,930	204	(83)	-	-	4,051
	Depr. fund	(3,516)	-	83	-	(193)	(3,625)
	Total	**415**	**204**	**-**	**-**	**(193)**	**426**
Other assets	Historical cost	7,630	323	(123)	-	-	7,830
	Depr. fund	(6,670)	-	121	-	(332)	(6,881)
	Total	**960**	**323**	**(2)**	**-**	**(332)**	**949**
Assets under construction and advance payments	Historical cost	547	150	(15)	(332)	-	349
	Depr. fund	-	-	-	-	-	-
	Total	**547**	**150**	**(15)**	**(332)**	**-**	**349**
Total		**27,662**	**982**	**(29)**	**-**	**(1,884)**	**26,730**

Investments in 2024 amounted to Euro 982 thousand and were attributable to the purchase of molds and industrial and commercial equipment. There were no non-recurring investments in 2024.

At December 31, 2024, 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.

[2] Right of Use

Right-of-use assets at December 31, 2024, of Euro 1,014 thousand compared to Euro 960 thousand in the previous year.
Below is a table with the changes in the year for each class of Right-of-Use:

Category		Saldo al 31.12.2023	Additions	Disposals	Depreciation	Saldo al 31.12.2024
Land and buildings	Historical cost	1,075	348	-	-	1,423
	Depr. fund	(826)	-	-	(166)	(992)
	Total	**249**	**348**	-	**(166)**	431
Other assets	Historical cost	1,279	271	(286)	-	1,264
	Depr. fund	(568)	-	157	(270)	(681)
	Total	**711**	**271**	**(130)**	**(270)**	583
Total		**960**	**619**	**(130)**	**(436)**	**1,014**

[3] Intangible assets

They amount to Euro 940 thousand at December 31, 2024, compared to Euro 793 thousand at December 31, 2023. The breakdown of the movements are as follows:

Category	Balance at 31.12.2023	Additions	Disposals		Reclasses	Depreciation	Balance at 31.12.2024
Industrial patent and intellectual property rights	**353**	95	-	-	489	(263)	**674**
Concessions, licences, trademarks and similar rights	**2**	-	-	-	-	(0)	**2**
Assets under construction and payments on account	**438**	628	-	(313)	(489)	-	**264**
Total	**793**	**723**	**-**	**(313)**	**-**	**(263)**	**940**

[4] Equity investments

They amount to Euro 159,394 thousand at December 31, 2024, compared to Euro 159,394 thousand at December 31, 2023. Details of the movements in these equity investments are as follows:

Equity investments (€/000)	Value as of 31.12.2023	Increases	Decreases	Write down	Reclasses	Value as of 31.12.2024
Equity Investments in Subsidiaries	**145,994**	16,628	-	(495)	(3,000)	**159,126**
Equity Investments in Associated companies	**266**	-	-	-	-	**266**
Equity Investments in other companies	**2**	-	-	-	-	**2**
Total	**146,262**	**16,628**	-	**(495)**	**(3,000)**	**159,394**

The increases compared to the previous year are attributable for Euro 11,046 thousand to a payment made to the subsidiary Piovan North America Inc. as part of the earnout, due to the previous shareholders of the IPEG Group, for Euro 348 thousand to the purchase of 1% of NuVu at the end of January 2024, and for Euro 1,542 thousand to the capital increase made in the Chinese company Piovan Industrial Automation, established in 2022 with the aim of building a new factory in China. The investment is shown net of Euro 854 thousand in amounts that are still to be paid in.

At the end of 2024, Piovan S.p.A. sold the holding in Energys S.r.l., Before the sale of the holding, Piovan S.p.A. received a dividend of Euro 400 thousand, and at the same time fully wrote down the value of the holding, by Euro 292 thousand.

In July 2024, Piovan proceeded to cover the negative equity situation of its subsidiary Fea, while at the same time acquiring the share of the minority shareholders. The payment totaled Euro 3,500 thousand. As at December 31, 2024, in order to indicate the recovery value of the equity investment in Fea, the provision for equity investment risks was reclassified by Euro 3,000 thousand as a reduction in value of equity investments.

The table below shows the composition of equity investments:

	31.12.2024			31.12.2023		
€/000	Historical cost	Impairment	Net book value	Historical cost	Impairment	Net book value
Subsidiaries:						
Aquatech S.r.l.	1,319	-	1,319	1,319	-	1,319
Energys S.r.l.	-	-	-	292	-	292
Piovan Do Brasil LTDA	3,203	-	3,203	3,203	-	3,203
Piovan Plastics Machinery Co.Ltd	500	-	500	500	-	500
Piovan Mexico SA de CV	40	(40)	-	54	(40)	14
Universal Dynamics Inc.	2,873	-	2,873	2,896	-	2,896
Piovan Canada Ltd	1,340	-	1,340	1,340	-	1,340
Piovan Central Europe GmbH	35	-	35	48	-	48
Piovan GmbH	2,128	-	2,128	2,146	-	2,146
Piovan France Sas	1,154	-	1,154	1,161	-	1,161
Piovan UK Ltd	36	-	36	36	-	36
Piovan Vietnam Company Ltd	54	(54)	-	54	(54)	-
Piovan Gulf Fze	244	-	244	244	-	244
Piovan Japan Inc.	49	(49)	-	49	(49)	-
Piovan India Private Ltd	20	-	20	20	-	20
Penta S.r.l.	18,701	-	18,701	18,557	-	18,557
FDM GmbH	1,214	-	1,214	1,214	-	1,214
Piovan Asia Pacific LTD	141	(86)	55	141	(86)	55
Piovan Muhendislik	63	(63)	-	63	(63)	-
Piovan Cz	1	-	1	1	-	1
Piovan Maroc Sarl.Au	92	-	92	92	-	92
FEA p.t.p. SRL	4,565	(4,065)	500	1,065	(1,065)	-
Doteco SpA	28,430	-	28,430	28,395	-	28,395
Piovan North America	88,298	-	88,298	77,253	-	77,253
Piovan Industrial Automation	7,916	-	7,916	6,374	-	6,374
Piovan Technology Indonesia	618	(203)	415	618	-	618
Piovan Korea	215	-	215	215	-	215
Nu-Vu Conair Private Limited	348	-	348	-	-	-
Piovan Colombia SAS	87	-	87	-	-	-
Total	**163,684**	**(4,560)**	**159,124**	**147,350**	**(1,357)**	**145,993**
Associates:						
C.M.G. S.p.A.	266	-	266	266	-	266
Total	**266**	**-**	**266**	**266**	**-**	**266**
Other companies						
Toba PnC	152	(152)	-	152	(152)	-
CESAP S.p.A.	-	-	-	-	-	-
Consorizio SALUS PUERI	3	-	3	3	-	3
CONAI	-	-	-	-	-	-
Total	**155**	**(152)**	**3**	**155**	**(152)**	**3**
Total equity investments	**164,105**	**(4,712)**	**159,393**	**147,771**	**(1,509)**	**146,262**

The table below reports the disclosures at December 31, 2024 regarding the equity investments required by Article 2427 of the Civil Code:

Management has assessed that the negative differentials between carrying values and equity values do not represent an impairment loss and are amply supported by the medium- to long-term forecasts prepared.

€/000	Registered office	Currency	Share capital (in foreign currency)	Owners' equity (in Euro)	Result for the period (in Euro)	Shareholding held	Net book value	Difference between % of equity and book value (Euro)
Subsidiaries:								
Aquatech S.r.l.	Venezia (IT)	EUR	40	6,362	940	100.00%	1,319	5,043
Piovan Do Brasil LTDA	Osasco (BRA)	Real	12,947	4,995	562	100.00%	3,203	1,792
Piovan Plastics Machinery Co.Ltd	Suzhou (CN)	Yuan	5,088	2,657	276	100.00%	500	2,157
Piovan Mexico S.A.	Queretaro(MX)	Peso Mess.	707	5,323	3,083	100.00%	-	5,323
Universal Dynamics Inc.	Fredericksburg (U.S.A.)	Dollars	3,500	22,394	922	100.00%	2,873	19,520
Piovan Canada Ltd	Mississauga - Ontario (CAN)	Canadian Dollars	0	2,002	822	100.00%	1,340	662
Piovan Central Europe GmbH	Brunn am Gebirge (A)	EUR	35	2,011	552	100.00%	35	1,976
Piovan GmbH	Garching (D)	EUR	102	4,287	643	100.00%	2,128	2,159
Piovan France Sas	Chemin du Pognat (F)	EUR	1,227	2,067	254	100.00%	1,154	913
Piovan UK Ltd	Bromsgrove (GB)	Pounds Sterling	25	1,252	314	100.00%	36	1,216
Piovan Vietnam Company Ltd	Mai Chi Tho (Vietnam)	Vnd	1,136,500	14	13	100.00%	-	14
Piovan Gulf Fze	Dubai (UAE)	Aed	1,000	722	126	100.00%	244	478
Piovan Japan Inc.	Kobe (J)	JPY	6,000	(153)	62	100.00%	-	(153)
Piovan India Private Ltd	Mumbai	INR	350	1,940	369	100.00%	20	1,920
Penta S.r.l.	Ferrara (IT)	EUR	100	20,772	2,848	100.00%	18,701	2,071
FDM GmbH	Konigswinter (DE)	EUR	75	12,971	2,630	67.00%	1,214	7,434
Piovan Asia Pacific LTD	Bangkok (TH)	THB	8,010	2,366	276	100.00%	55	2,311
Piovan Muhendslik LTD	Beikoz (TR)	Czk	10	364	244	100.00%	-	364
Piovan Czech Republic s.r.o.	Praga (CZ)	MAD	200	1,075	204	100.00%	1	1,074
Piovan Maroc Sarl. AU	Kenitra (Marocco)	EUR	1,000	404	69	100.00%	92	312
FEA Process&Technological Plants S.r.l.	Scarnafigi (CN)	EUR	20	336	(1)	68.00%	500	(271)
Doteco SpA	Modena (IT)	USD	1,000	23,643	3,528	100.00%	28,430	(4,787)
Piovan Noth America	Delaware (USA)	Yuan	55,655	123,705	13,721	100.00%	88,298	35,406
Piovan Industrial Automation	Suzhou (CN)	IDR	46,151	7,449	(78)	100.00%	7,916	(467)
PT Piovan Technology Indonesia	Seoul (Corea del Sud)	INR	1,000,100	141	(207)	99.00%	415	(275)
Piovan Korea	Giacarta (indonesia)	KRW	300,000	(46)	(235)	100.00%	215	(262)
Nu-Vu Conair Private Limited	Ahmedabad (India)	INR	19,915,500	35,366	1,939	1.00%	348	17,689
Piovan Colombia SAS	Bogotà (Colombia)	COP	400,000,000	87	-	100.00%	87	-
Total				**284,506**	**33,876**		**159,124**	**103,619**
Associates:								
C.M.G. S.p.A.*	Bologna (IT)	Euro	1,250	5,919	1,225	20.00%	266	918
Total			**1,250**	**5,919**	**1,225**	-	**266**	**918**
Other companies**								
TOBAPNC Co. Ltd			-	-	-	10.00%	-	-
Consorzio SALUS PUERI			-	-	-	0.00%	3	-
Total				**290,425**	**35,101**		**159,393**	**104,537**

**The figures for CMG S.p.A. reported in the table below refer to the latest available financial statements year ended 31 December 2023*

*** Financial statements data not available.*

In addition, the Company holds an option to purchase the 33.33% minority stake in FDM Gmbh.

[5] Non-current financial assets

This includes a loan in Euro disbursed to the subsidiary IPEG Inc. in conjunction with the acquisition of the group. The initial value of the loan, issued at arm's length conditions, was Euro 40,000 thousand. The contract establishes a due date of December 31, 2027, and no payment plan has been defined. IPEG Inc. may decide to repay it in advance either in whole or in part. The remaining balance of the loan at December 31, 2024, was Euro 7,539 thousand. Given the contractual due date and the purposes of the loan, the remaining balance has been included among non-current financial assets.

[6] Other non-current assets

These totaled Euro 16 thousand at December 31, 2024, and are essentially in line with the previous year. The account mainly refers to various security deposits paid on utilities and lease contracts for the Company's headquarters.

[7] Deferred tax assets and liabilities

Deferred tax assets amount to Euro 936 thousand at December 31, 2024, compared to Euro 1,075 thousand at December 31, 2023, whereas deferred tax liabilities amount to Euro 8 thousand, compared to Euro 145 thousand at December 31, 2023.

The Company has set aside deferred tax assets and liabilities on temporary differences between book values and tax values.
Deferred tax assets do not include assets arising from the valuation of tax losses as the Company has no tax losses carried forward.

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. The breakdown of deferred tax assets and liabilities for each year is as follows:

Deferred tax assets (€'000)	Taxable income 2024	Deferred tax assets 2024	Taxable income 2023	Deferred tax assets 2023
Provisions for doubtful debts	381	91	381	91
Provision for product warranties	313	93	313	87
Inventory obsolescence provision	1,726	510	1,651	454
Provision for pending litigation risks	570	173	400	111
Directors' unpaid emoluments	29	7	36	9
Supplementary customer indemnity	74	5	55	3
Foreign currency conversion losses	-	-	1,075	258
Adoption of IAS 19	234	56	234	56
Other	-	-	12	5
Total	**3,326**	**936**	**4,157**	**1,075**

Deferred tax liabilities (€'000)	Taxable income 2024	Deferred tax liabilities 2024	Taxable income 2023	Deferred tax liabilities 2023
Adoption of IAS 17	19	6	36	10
Capital gain in installments	-	-	-	-
Other	7	2	560	135
Total	**26**	**8**	**596**	**145**

Movements in deferred tax assets and liabilities are shown below:

€/000	31.12.2023	Income statement effect	31.12.2024
Deferred tax assets	1,075	(139)	936
Deferred tax liabilities	(145)	137	(8)
Totale	**930**	**(2)**	**928**

[8] Inventories

At December 31, 2024, they amounted to Euro 16,496 thousand compared to Euro 17,672 thousand at December 31, 2023; the breakdown is shown below:

€/000	31.12.2024	31.12.2023
Raw materials, ancillary and consumption materials	303	310
Semi-finished goods and work in progress	13,438	14,407
Provision for obsolescence of semi-finished	(329)	(329)
Total semi-finished goods and work in progress	**13,412**	**14,388**
Finished goods and goods for resale	4,256	4,504
Provision for obsolescence of finished goods and goods for resale	(1,396)	(1,396)
Total finished goods and goods for resale	**2,859**	**3,108**
Advances	224	176
Inventories	**16,496**	**17,672**

During 2024 inventories decreased by Euro 1,176 thousand, gross of the obsolescence provisions. The decrease, mainly related to Semi-finished goods and work in progress and Finished Products, is linked to a better management of stocks and deliveries.
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.

[9] Trade receivables

They amounted to Euro 21,456 thousand at December 31, 2024, compared to Euro 23,665 thousand at December 31, 2023. This item, which represents the exposure to third parties, is broken down as follows:

€'000	31.12.2024	31.12.2023
Customer receivables	13,976	17,817
Receivables from subsidiaries	8,887	7,267
Receivables from associated companies	-	-
Receivables from parent companies	2	1
Total trade receivables	**22,866**	**25,084**
Provisions for doubtful debts	(1,410)	(1,420)
Total	**21,456**	**23,665**

Receivables at December 31, 2024, gross of the provision, decreased by Euro 2,219 thousand compared to the end of 2023. The decrease is mainly attributable to increased efficiency in average collection days. Receivables by regional breakdown are shown below:

€/000	31.12.2024	31.12.2023
EMEA	13,911	16,834
of which Italy	10,266	11,686
NORTH AMERICA	2,584	2063.94
ASIA	2,404	2,541
AFRICA	1,193	20
SOUTH AMERICA	1,364	2,205
Total	**21,456**	**23,665**

Details of trade receivables from group companies are provided in the disclosure on transactions with related parties under “Other information”.

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

Movements on the provision for impairment of receivables during the year are shown below:

€/000	31.12.2023	Provisions	Utilisations	31.12.2024
Provisions for doubtful debts	1,420	-	(10)	1,410

The following is a breakdown of gross receivables by past due date:

	31.12.2024		31.12.2023	
Receivables and bad debt provision	Receivables	Provision	Receivables	Provision
Receivables due to expire	11,897	(170)	15,003	(160)
Receivables overdue whitin 30 days	4,029	(40)	5,109	(51)
Receivables overdue between 1 and 12 months	5,712	(248)	3,900	(146)
Receivables overdue over 12 months	1,226	(952)	1,072	(1,063)
Total	**22,866**	**(1,410)**	**25,085**	**(1,420)**

[10] Current financial assets

Current financial assets amount to Euro 2,931 thousand at December 31, 2024 (Euro 11,480 thousand at December 31, 2023). This item includes loans granted to investee companies at normal market conditions and bond securities.

€'000	31.12.2024	31.12.2023
Securities	-	6,555
Cash pooling FEA S.r.l.	2,781	4,924
Piovan Muhendslik LTD	260	260
Piovan Japan Inc.	285	285
Tobapnc Co Ltd	50	50
Piovan Korea	150	-
Bad debt provision for current assets	(595)	(595)
Total current financial assets	**2,931**	**11,480**

The loans to subsidiaries are classified under current assets as it is contractually agreed that the Company may request their repayment at any time.

"Securities" amounted to Euro 6,556 thousand at December 31, 2023. These instruments matured in the first quarter of 2024 and therefore the value of this account almost entirely reduced to zero.

It should be noted that the Company has established cash pooling agreements with the subsidiaries Aquatech S.r.l., FEA Ptp, Doteco S.p.A., Piovan France Sas and Penta S.r.l. At December 31, 2024, only the cash pooling account with FEA Ptp had a credit balance, whereas the others all had debit balances and were recognized among other current financial liabilities.

The change in the cash pooling receivable is presented under Divestment/(Investment) of Financial Assets on the statement of cash flow. The cash pooling debt movements were indicated in the "Increases/(decreases) in other financial liabilities" line of the statement of cash flows.

The write-down provision for current financial assets includes the write-down of loans issued to the investee Toba Pnc and to the Turkish and Vietnamese subsidiaries.

[11] Tax receivables

They amounted to Euro 825 thousand at December 31, 2024, compared to Euro 1,313 thousand at December 31, 2023. The amount recognized in 2024 mainly concerns VAT receivables for Euro 485 thousand, the research and development credit for Euro 227 thousand, receivables for excess IRAP over advances paid for Euro 262 thousand and the research and development credit for Euro 77 thousand.

€/000	31.12.2024	31.12.2023
VAT receivables	485	1,175
Other current tax assets	340	138
Tax receivables	**825**	**1,313**

[12] Other current assets

They amounted to Euro 1,916 thousand at December 31, 2024, compared to Euro 1,550 thousand at December 31, 2023. A breakdown follows:

€/000	31.12.2024	31.12.2023
Employee payables	42	43
Deferred costs	69	17
Advances to suppliers	10	98
Derivative financial instruments	-	19
Receivable towards Parent Company	552	-
Other receivables	1,244	1,373
Total Other current assets	**1,916**	**1,550**

The most significant amounts are attributable to prepaid expenses related to future periods.

[13] Cash and cash equivalents

They amount to Euro 48,355 thousand at December 31, 2024, compared to Euro 45,624 thousand at December 31, 2023.

€'000	31.12.2024	31.12.2023
Current accounts and post office deposits	48,354	32,123
Cash equivalent	-	13,500
Cash	1	1
Cash and cash equivalents	**48,355**	**45,624**

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

As described in Directors' Report, the net financial position at December 31, 2024 was net debt of Euro 97,365 thousand, compared to net debt of Euro 109,929 thousand at the end of 2023, with cash generation in the amount of Euro 12,564 thousand.
Operating activities offset the absorption of cash from the approval and payment of Parent Company dividends in May 2024 for approximately Euro 13,804 thousand, and the capital expenditure in 2024 of approximately Euro 1,705 thousand, in addition to the instalments paid on medium/long-term loans. For an analysis of the variations in cash and cash equivalents, reference should be made to the statement of cash flow.
At December 31, 2024 there were no restrictions on the availability of the Company's current accounts.

[14] Equity

Equity is made up as follows:

€/000	31.12.2024	31.12.2023
Share capital	6,000	6,000
Legal reserve	1,200	1,200
Reserve for treasury shares	(3,012)	(2,489)
Other Reserves and retained earnings	72,962	68,075
Fiscal year result	17,473	14,774
Net Equity	**94,622**	**87,560**

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.

The Company therefore as at December 31, 2024, directly through Piovan S.p.A., holds 2,474,475 treasury shares, equal to 4.62% of the share capital of Piovan S.p.A., with a value of Euro 3,012 thousand at December 31, 2024. The change from the previous year is related to the assignment of treasury shares in January 2024 in relation to the second cycle of the 2020-2022 Performance Shares Plan. For this cycle, 161,113 shares were assigned to the beneficiaries of the plan, of which 68,049 were simultaneously withheld by the Company in order to meet the beneficiaries' fiscal obligations, in the form of a substitute tax, related to this assignment.

Below are reported information regarding the incentive plans that Group has allocated to its employees:

2020-2022 Performance Shares Plan - third cycle

The plan provides for the granting, to a number of executives of the parent company, of the right to receive Piovan S.p.A. shares. A total of 165,180 shares have vested. The total value is Euro 582 thousand, whereas the amounts vested at December 31, 2024, totaled Euro 582 thousand. These shares were allocated to the beneficiaries of the Plan in February 2025. At the same time, the Company withheld 68,925 shares in order to fulfill, as withholding agent, the beneficiaries' tax obligation related to this grant.

2020-2022 Phantom Stock Option Plan - third cycle

The plan provided for the awarding of a cash prize commensurate with the value of the Piovan S.p.A. shares to Executive Directors and Senior Executives belonging to Piovan Group companies. In January 2025, partly in view of the completion of the transaction for the acquisition of the Piovan Group by Automation System, it was resolved by the Board of Directors to convert it to a share plan. Therefore, in February 2025, 170,450 shares were allocated to the beneficiaries and at the same time the Company withheld 69,612 shares in order to fulfill, as withholding agent, the beneficiaries' tax obligation related to this grant.

The value of the Plan at December 31, 2024 is Euro 2,386 thousand, of which Euro 1,525 thousand is recognized at cost in 2024. In addition, in the financial statements at December 31, 2024, the payable recognized until September 30, 2024 with reference to these plans was reclassified to equity as a reduction of the treasury share reserve.

Long Term Incentive Plan 2023-2025

On April 24, 2023, the Shareholders' AGM approved the new stock grant plan for ordinary company shares, called the "**2023-2025 Long Term Incentive Plan**" (the "Plan"). The Plan is divided into three cycles (the first relating to the 2023- 2025 vesting period, the second relating to the 2024-2026 vesting period, and the third relating to the 2025-2027 vesting period) and provides for the allotment of ordinary shares of Piovan S.p.A. for each cycle. With reference to the first and second cycle, the rights were granted to managers of Piovan S.p.A., but also of its subsidiaries, and the number of rights at maturity was estimated at approximately 308,162.

The Plan regulation included the possibility of being able to convert it from a cash settled plan to an equity settled plan. In addition, the same regulation stipulates, that if a change of control transaction is carried out, the beneficiaries have the right to the allocation (including through the payment of the relevant monetary consideration) of the shares in advance and regardless of the fulfillment of the conditions stipulated in the Plan regulation.

In January 2025, in view of the completion of the transaction for the acquisition of the Piovan Group by Automation System, a resolution was passed to accelerate the plan and to convert it from equity settled to cash settled for only the employee beneficiaries of the foreign subsidiaries, and for the employees of the Italian subsidiaries who were allocated shares linked only to the condition of continued employment. Therefore:

- With regard to the first and second cycle disbursed in shares, in February 2025, 191,420 shares were granted and at the same time the Company withheld 69,637 shares in order to fulfill, as withholding agent, the beneficiaries' tax obligation related to this grant. The value of the Plan at December 31, 2024 was Euro 1,096 thousand, of which Euro 730 thousand was recognized to the 2024 statement of profit and loss.
- With regard to the first and second cycle disbursed in cash, the value of the Plan at December 31, 2024 was Euro 1,634 thousand, of which Euro 1,524 thousand was recognized to the 2024 statement of profit and loss.

Other reserves and undistributed profits mainly includes the other profit and capital reserves of the Company, in addition to the profit for previous years and the effects of adjustments resulting from the adoption of international accounting standards. This item changed during 2024 following the allocation of the previous year's result and the distribution of dividends amounting to Euro 13,804 thousand fully paid to the shareholders of the Company in May 2024.

Availability and use of equity reserves, as per the civil code:

Nature/Description	Amount 31.12.2024	Possibility of utilisation	Available amount	Amount distributable
Capital	**6,000,000**		-	-
Legal reserve	**1,200,000**	**B**	**1,200,000**	-
Reserve for treasury shares	(3,012,375)		-	-
Other reserves	-		-	-
Extraordinary reserve	57,342,580	**A, B, C**	57,342,580	54,330,205
Sundry other reserves	10,860,030	**A, B, C**	10,860,030	-
IAS/IFRS First-Time Adoption reserve	4,758,975	**B**	4,758,975	-
Total Other reserves	**69,949,209**		-	-
Total	**77,149,209**		-	-
Profit for 2024	17,472,753		-	-
Total owners' equity year ended 31.12.2024	**94,621,962**		-	-

Key
A: for share capital increases
B: to cover losses
C: for distribution to shareholders

The Company chose to take advantage of the option allowed by Article 110 of Law Decree 104/2020 and realign the fiscal values with the greater carrying amounts for the residual differences at December 31, 2020, related to certain industrial properties redeemed prior to the adoption of the International Accounting Standards. For first-time application (FTA, i.e. financial year 2018), in accordance with IAS 17, these properties were recognized at a value greater than their previous redemption value.
This residual value at December 31, 2020, was Euro 3,383,631 and resulted in recognition of a substitute tax of Euro 101,509. As a result, a fiscal restriction was set on the IAS/IFRS FTA reserve for a net amount of Euro 3,282,122 in accordance with said standard.

[15] Basic and diluted earnings per share

At December 31, 2024, the shares in circulation numbered 53,600,000 and the treasury shares held by Piovan S.p.A. amounted to 2,474,475.
Earnings per share was calculated by dividing the net profit of the Parent Company by the weighted average number of ordinary shares in circulation during the reporting period. As indicated with reference to the Group Equity, the number of treasury shares changed in the first nine months of 2024 due to the allocation in January 2024 under the second cycle of the 2020-2022 Performance Shares Plan. In addition, it should be noted that in the context of the 2020 - 2022 Performance Shares Plan and the 2023-2025 Long Term Incentive 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:

	31.12.2024	31.12.2023
Profit for the period (EUR '000)	17,473	14,774
Weighted average of number of outstanding ordinary shares (in thousands of units)	51,118	50,888
Basic earnings per share (in Euros)	**0.34**	**0.29**

	31.12.2024	31.12.2023
Profit for the period (EUR '000)	17,473	14,774
Weighted average of number of outstanding ordinary shares (in thousands of units)	51,746	51,356
Diluted earnings per share (in Euros)	**0.34**	**0.29**

[16] Current and non-current financial liabilities

The account is broken down as follows:

€'000	31.12.2024	31.12.2023
Short-term bank loans	238	-
Current portion of medium/long-term loans	32,225	36,567
Current financial liabilities to subsidiaries	53,287	47,388
Loans for leasing falling due within 12 months	469	524
Current financial liabilities	**86,218**	**84,478**

€'000	31.12.2024	31.12.2023
Medium/Long-term loans	60,464	79,624
Loans for leasing falling due over 12 months	561	565
Others financial liabilities	611	611
Non-current financial liabilities	**61,636**	**80,800**

Short-term bank payables refers to the use of bank lines for operating purposes.
Current financial liabilities to subsidiaries total Euro 53,287 thousand and include the cash pooling accounts with the subsidiaries Penta S.r.l., Aquatech S.r.l., Piovan France Sas and Doteco S.p.A., as well as an interest-bearing loan from the subsidiary FDM in the amount of Euro 5,000 thousand, one from Piovan UK for Euro 1,470 thousand and one from the subsidiary Piovan Czech Republic for Euro 500 thousand.

A breakdown by contract is provided below of "Medium to long-term bank loans" and the "Current portion of medium to long-term loans" at December 31, 2024, and December 31, 2023, as well as the main features of the bank loans by maturity:

Currency	Original amount (EUR)	Maturity	Interest rate	Terms	31.12.2024			31.12.2023		
					Residual debt	Current	Non-current	Residual debt	Current	Non-current
EUR	7,000	03/05/2024	Fixed	0.54%	-	-	-	883	883	-
EUR	5,000	05/02/2025	Variable	Euribor 6m+0,65%	500	500	-	1,500	1,000	500
EUR	7,000	07/04/2024	Variable	Euribor 6m+0,85%	-	-	-	875	875	-
EUR	2,000	24/06/2023	Fixed	0.35%	-	-	-	-	-	-
EUR	20,000	14/10/2025	Fisso	0.67%	4,000	4,000	-	8,000	4,000	4,000
EUR	4,125	23/12/2028	Variable	Euribor 6m+0,6%	2,357	589	1,768	2,946	589	2,357
EUR	5,000	05/05/2023	Fixed	0.01%	-	-	-	-	-	-
EUR	10,000	22/11/2024	Fixed	0.25%	-	-	-	3,342	3,342	-
EUR	100,000	21/01/2028	Fixed	1.34%	65,000	20,000	45,000	85,000	20,000	65,000
EUR	10,000	20/06/2025	Variable	1.05%	1,748	1,748	-	5,127	3,377	1,749
EUR	10,000	15/05/2027	Variable	4.41%	6,250	2,500	3,750	8,750	2,500	6,250
USD	14,081	20/06/2029	Variable	SOFR 6m+1,1%	12,995	2,888	10,107	-	-	-
Bank loans					**92,850**	**32,225**	**60,625**	**116,423**	**36,567**	**79,856**
EUR	741	30/06/2031	Fixed	0.18%	**611**	**94**	**517**	704	93	611
Other					**611**	**94**	**517**	**704**	**93**	**611**
Total					**93,461**	**32,318**	**61,142**	**117,127**	**36,660**	**80,467**

Loans are recognized at amortized cost and include arrangement expenses of Euro 160 thousand recognized as a reduction to the residual debt.

Financial liabilities changed during the year as follows:

	Current fincial liabilities				Non current fincial liabilities		
€/000	Short-term bank borrowings	Current portion of long-term loans	Other loans and borrowings	Total current financial liabilities	Medium to long-term bank loans	Other loans and borrowings	Total non-current financial liabilities
31.12.2023	-	**36,567**	**47,911**	**84,478**	**79,624**	**1,176**	**80,800**
Disbursements/(Refunds)	-	(34,838)	5,220	**(29,618)**	11,264	-	**11,264**
Other movements	238	72	-	**310**	-	-	-
Increase/(decrease) for lease	-	-	155	**155**	-	465	**465**
Reclassifications from non-current to current	-	30,424	469	**30,893**	(30,424)	(469)	**(30,893)**
31.12.2024	**238**	**32,224**	**53,755**	**86,218**	**60,464**	**1,172**	**61,636**

The information required by IFRS 7 regarding future cash flows by maturity related to financial liabilities is presented under Financial Risks.

[17] Employee benefits plans

This item includes post-employment benefit provisions. These liabilities qualify as defined benefit plans in accordance with IAS 19 and have therefore been subject to actuarial calculation. Changes in liabilities compared with the same period of the previous year are shown below.

Employee benefits liabilities	31.12.2024	31.12.2023
Opening balance	**1,706**	**1,690**
Employee benefits paid	-	(87)
Provision	1,305	1,284
Transfer to pension funds and INPS treasury	(1,367)	(1,284)
Actuarial earnings (losses)	(41)	41
Interest cost	53	62
Closing balance	**1,656**	**1,706**

The valuation of Post-employment benefits is based on the following actuarial assumptions:

Defined Benefit Plan	31.12.2024	31.12.2023
Annual discount rate	3.38%	3.17%
Annual inflation rate	2.00%	2.00%
Annual rate of increase in employee severance indemnity	3.00%	3.00%
Mortality rate	ISTAT 2022 Tables	ISTAT 2016 Tables
Retirement age	100% at the achievement of the AGO pension fund requirements	100% at the achievement of the AGO pension fund requirements
Advances rate	2.80%	2.80%
Turnover rate	1% (based on historical company data)	1% (based on historical company data)

As required by the related IFRS, the following is a sensitivity analysis showing how the liability would change as the discount rate and inflation change.

Defined Benefit Plan	31.12.2024	31.12.2023
Discount rate +50bp	(61)	(71)
Discount rate -50bp	65	76
Inflation rate +50bp	40	47
Inflation rate -50bp	(39)	(45)

[18] Provisions for risks and charges

The provision for risks and charges at December 31, 2024 amounted to Euro 3,586 thousand, compared to Euro 3,979 thousand at December 31, 2023. The composition and the movements of the item are shown in the following table:

€/000	31.12.2023	Provisions/release	Reclasses	Utilisations	Actuarial effect	31.12.2024
Provision for legal and tax risks	210	2,650	-	(50)	-	2,810
Provision for product warranties	313	-	-	-	-	313
Provision for additional client expenses	40	11	(0)	-	(4)	47
Provision for risks on investments	3,416	-	(3,000)	-	-	416
Provisions for risks and charges	**3,979**	**2,661**	**(3,000)**	**(50)**	**(4)**	**3,586**

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 benefits 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 provision for the negative equity of the subsidiaries Piovan Japan Inc. and Piovan Korea.

The provision for legal and tax risks movements also included the allocation to the provision for tax risks and of the relative legal charges, as better outlined in the “Significant events in the year” section of the Directors’ Report.

[19] Other non-current liabilities

They amounted to Euro 796 thousand at December 31, 2024, compared to Euro 1,754 thousand at December 31, 2023 and are mainly represented by tax liabilities whose maturity is long-term.

[20] Trade payables

They amounted to Euro 26,950 thousand at December 31, 2024, compared to Euro 25,263 thousand at December 31, 2023. Trade payables originate from the different payment terms negotiated with suppliers, which vary according to the various countries in which the Company operates. The company does not have significant past overdue amounts.

[21] Advances from customers

At December 31, 2024, Advances from customers amounted to Euro 2,879 thousand, compared to Euro 2,139 thousand at December 31, 2023. This item refers to advances received by the Company from customers and improved as a result of the strong performance of sales for the year.

[22] Tax liabilities and social security contributions

They amount to Euro 4,021 thousand at December 31, 2024, compared to Euro 4,245 thousand at December 31, 2023. The account is broken down as follows:

€'000	31.12.2024	31.12.2023
Social security contributions	2,759	2,901
Tax withholdings for employees	1,262	1,098
Income tax liabilities (IRES and IRAP)	-	245
Other	-	-
Tax liabilities and social security contributions	**4,021**	**4,245**

The change compared to the previous year is largely due to changes in payables to social security institutions.

[23] Other current liabilities

They amount to Euro 6,177 thousand at December 31, 2024, compared to Euro 8,502 thousand at December 31, 2023. The account is broken down as follows:

€/000	31.12.2024	31.12.2023
Payables to employees	5,337	6,561
Payables to parent company	0	757
Accrued income and deferred expense	694	1,037
Other payables	146	147
Other current liabilities	**6,177**	**8,502**

Employee payables refer to wages and salaries and accruals for vacation and leave accrued. The item Payables to parent companies includes the payable to Pentafin S.p.A. for current taxes under the tax consolidation contract. At December 31, 2024, Piovan S.p.A. had a receivable from Pentafin S.p.A..

Notes to the Separate Statement of Profit and Loss

[24] Revenues

Revenues amounted to Euro 131,925 thousand in 2024, compared to Euro 133,490 thousand in 2023 (-1.2%). 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 Company Management.
The breakdown of revenue by market is as follows:

€/000	2024	%	2023	%	Change	Change %
Technical Polymers	112,391	85.2%	115,037	86.2%	(2,645)	(2.3%)
Food & Industrial Applications	298	0.2%	171	0.1%	127	74.5%
Services	19,235	14.6%	18,282	13.7%	953	5.2%
Revenue	**131,925**	**100.0%**	**133,490**	**100.0%**	**(1,565)**	**(1.2%)**

The breakdown of revenue by geographical area is as follows:

€/000	2024	%	2023	%	Change	Change %
EMEA	104,309	79.1%	105,271	78.9%	(962)	(0.9%)
ASIA	6,379	4.8%	6,213	4.7%	166	2.7%
NORTH AMERICA	17,063	12.9%	16,892	12.7%	171	1.0%
SOUTH AMERICA	4,175	3.2%	5,114	3.8%	(939)	(18.4%)
Revenue	**131,925**	**100.0%**	**133,490**	**100.0%**	**(1,565)**	**(1.2%)**

Revenue by market indicates:

- Technical Polymers systems revenue decreased by approximately 2.3% on the previous year. This reduction on 2023 relates to the overall market, which from mid-2023, as a result of the relatively high interest rates, was generally weaker in most application sectors, with a greater impact on the consumer goods sector, which historically has been more cyclical, and construction;

- the Food & Industrial Application Systems market is marginal for Piovan S.p.A. as it is the market for the subsidiaries Penta S.r.l. and FEA ptp S.r.l.

- the Services market posted revenue growth (+5.2%) on 2023, in line with Group forecasts.

In terms of geographical areas, the EMEA remains the Company's primary market, accounting for 79.1% of total revenue.
Revenues in EMEA include revenues in Italy which amounted to Euro 29,240 thousand in 2023 and Euro 31,884 thousand in the previous year.

[25] Other Revenues and Income

Other revenues amounted to Euro 5,256 thousand in 2024 compared with Euro 5,712 thousand in the previous year.

This item is broken down as follows:

€'000	2023	2022
Ancillary sales transport services	90	951
Current expenses grants	0	91
Ancillary sales transport services	36	18
Increases in fixed assets for internal works	6	9
Capital gains for disposal of tangible and intangible assets	3,420	3,067
Insurance compensation	407	314
Other	1,297	1,262
Other revenues	**5,256**	**5,712**

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

Operating grants in 2023 mainly concerned the research and development grant from the Italian Ministry for Economic Development in the amount of Euro 292 thousand. This item significantly reduced in 2024.

Prior year income mainly consists of differences on cost estimates relating to previous years.

[26] Costs of raw materials, components, goods and changes in inventories

This item amounted to Euro 51,880 thousand in 2024, compared with Euro 54,990 thousand in the previous year. This item is broken down as follows:

€/000	2024	2023
Costs of raw materials, components and goods	48,686	49,598
Costs of consumables	1,970	1,951
Change in raw materials and goods	7	153
Change in finished goods and semi-finished products	1,217	3,287
Costs of raw materials, components and goods and changes in inventories	**51,880**	**54,990**

These costs reduced on the previous year, in line with revenues.

[27] Services

Service costs amounted to Euro 28,517 thousand in 2024, compared with Euro 25,365 thousand in 2023. The increase is partially attributable to non-recurring costs related to consulting projects for M&A activities and related to integration projects.

€'000	2024	2023
Outsourced processing	8,736	7,875
Transport costs	2,019	1,550
Business trips and travel	1,383	1,112
Commissions	4,371	4,258
Fees to directors, statutory auditors and independent auditors	1,752	1,750
Consultancies	3,501	2,669
Maintenance and repairs	2,459	1,944
Marketing and advertising costs	549	595
Utilities	661	768
Insurance	468	483
Telephone and internet connections	146	154
Other costs for services	2,016	1,820
Costs for use of third-party assets	456	389
Services costs	**28,517**	**25,365**
of which non-recurring	1,115	**0**

The largest cost items, in particular from an industrial process point of view, are:

- outsourcing costs amounting to Euro 8,736 thousand in 2024 (31% of total service costs) determined by the production methods of the Group, which concentrates internally processing and high value added and core activities. In 2023, this item amounted to Euro 7,875 thousand and 31% of total service costs (percentage substantially unchanged on the previous year);
- increase in transport costs on purchases and sales which is linked to business performance and a different mix of countries to which the Company sells.
- Agent commission costs
- Consultancy costs, making up the largest component of non-recurring costs.
- Rent, lease and similar costs include rental agreements and non-lease components to which IFRS 16 does not apply.

[28] Personnel expenses

Personnel expense amounted to Euro 34,174 thousand, compared with Euro 31,396 thousand in 2023. A breakdown of personnel expenses and the workforce by category is provided below:

€/000	2024	2023
Wages and salaries	25,826	23,452
Social security contributions	7,014	6,641
Costs for defined benefit plans	1,332	1,300
Other expenses	2	2
Personnel expenses	**34,174**	**31,396**
of which non-recurring	1,115	381

They also include the accrued portion of long-term incentive plans for certain executives of the Company. Specifically, a portion of this increase is due to the revaluation of the incentive plans following the increase in the Piovan share price from Euro 10.70 per share in December 2023 to Euro 13.90 per share in December 2024, partly due to the announcement regarding the transaction for the sale of the controlling interest in Piovan S.p.A. by Pentafin S.p.A., as well as its acceleration as resolved by the Board of Directors following the change of control over Piovan S.p.A.. This acceleration resulted in the shortening of the vesting period and thus the provision of the entire plan in 2024. The company estimates the effect of this increase on personnel expenses in 2024 to be approximately Euro 1.4 million.

The additional increase is mainly due to the increase in the average number of executives, the increases in national collective bargaining agreements in Italy, and to the share of bonuses and incentive plans for the year. Personal expense as a percentage of total revenues and other income was 24.9% in 2024, compared to 22.9% in 2023.

	31.12.2024		31.12.2023	
	period end	average	period end	average
Managers	12	12	12	12
Junior managers	24	23	19	18
White collars	209	207	207	207
Blue collars	192	192	193	198
Total	**437**	**434**	**431**	**436**

[29] Other expenses

The item amounts to Euro 969 thousand compared to Euro 1,426 thousand in the previous year. This item is broken down as follows:

€'000	2024	2023
Other taxes and duties	449	429
Bad debt provision recognition	-	60
Entertainment costs	79	56
Provisions/release for risks	150	50
Provision for supplementary indemnity fund	11	9
Losses on the sale of assets	10	423
Other	270	399
Other operating costs	**969**	**1,426**

Other taxes and duties mainly includes indirect taxes on property and local taxes.

[30] Amortisation and depreciation

This item amounted to Euro 2,583 thousand, compared with Euro 2,469 thousand in 2023. This item is broken down as follows:

€'000	2024	2023
Amortization	263	174
PP&E Depreciation	1,884	1,864
Right of use depreciation	436	431
Amortisation/depreciation and write-downs	**2,583**	**2,469**

[31] Financial income and expenses

This item amounted to Euro 6,946 thousand in 2024, compared with Euro 1,223 thousand in 2023. The item includes Euro 10,132 thousand in dividends received from subsidiaries in 2024 compared to Euro 3,770 thousand in 2023. Financial expenses are relatively stable compared to 2023.

€'000	2024	2023
Interest income	1,634	1,413
Dividends	10,134	3,770
Other financial income	38	56
Financial income	**11,806**	**5,239**
Bank interest expenses	2,418	2,308
Other interest expenses	28	37
Other financial expenses	2,414	1,671
Financial charges	**4,859**	**4,016**
Net financial income (expense)	**6,946**	**1,223**

[32] Net exchange rate gain (losses)

The item amounts to a net loss of Euro 251 thousand in 2024, compared to a net loss of Euro 23 thousand in 2023. This item is broken down as follows:

€'000	2024	2023
Foreign currency conversion gains	475	343
Foreign currency conversion losses	(726)	(366)
Foreign currency conversion gains and losses	**(251)**	**(23)**

Unrealized exchange gains amount to Euro 81 thousand, whereas unrealized exchange losses are Euro 7 thousand.

[33] Changes in financial assets

It includes the write-downs related to the value of the equity investments in Fea, as well as the establishment of the write-down provision of current financial assets with subsidiaries.

€/000	2024	2023
Investments write-off	492	739
Investments provision for risk and charges	0	2,400
Bad financial debt accrual included in financial asset	0	606
Financial asset changes	**492**	**3,744**

[34] Income Taxes

This item amounted to Euro 7,787 thousand, compared with Euro 6,239 thousand in 2023. This item is broken down as follows:

€'000	2024	2023
Current tax	5,562	6,424
Previous year tax	(227)	(311)
Deferred tax	2	126
Accrual for risks	2,450	-
Income taxes	**7,787**	**6,239**

Income taxes can be reconciled as follows to the pre-tax profit or loss shown in the statement of profit and loss:

	2024				2023			
	Taxable	Tax (IRES)	Taxable	Tax (IRAP)	Taxable	Tax (IRES)	Taxable	Tax (IRAP)
		24.00%		*5.57%*		*24.00%*		*5.57%*
In thousands of Euro	**25,260**	**(6,062)**	**25,260**	**(1,407)**	**21,013**	**(5,043)**	**21,013**	**(1,170)**
Higher taxation	**3,853**	**(925)**	**4,918**	**(274)**	**4,839**	**(1,161)**	**9,541**	**(531)**
- Non-deductible vehicles costs	305	(73)	-	-	251	(60)	-	-
- Provisions	-	-	-	-	-	-	-	-
- Equity investments write off	292	(70)	292	(16)	3,138	(753)	3,138	(175)
- Loan devaluation	-	-	-	-	545	(131)	545	(30)
- Variation related to personnel costs	-	-	1,001	(56)	-	-	4,252	(237)
- Capital gain on disposal share	21	(5)	-	-	13	(3)	-	-
- Non-deductible VAT	1	(0)	-	-	185	(44)	-	-
- Others	3,233	(776)	3,624	(202)	707	(170)	1,606	(89)
Lower taxes	**(10,409)**	**2,498**	**(10,898)**	**608**	**(5,358)**	**1,286**	**(3,504)**	**196**
- Contingency	-	-	-	-	-	-	-	-
- Super-depreciation	(50)	12	-	-	(84)	20	-	-
- Hyper-depreciation	(179)	43	-	-	(229)	55	-	-
- Dividends	(9,698)	2,328	(10,132)	565	(3,354)	805	(3,504)	196
- IRAP Tax deduction	(266)	64	-	-	(507)	122	-	-
- ACE and super-ACE deduction	-	-	-	-	(430)	103	-	-
- Patent Box	-	-	-	-	-	-	-	-
- Others	(217)	52	(766)	43	(754)	181	-	-
Totals	**18,704**	**(4,489)**	**19,279**	**(1,073)**	**20,494**	**(4,919)**	**27,050**	**(1,506)**

Reference should be made to Note [7] in relation to changes in deferred tax assets and liabilities and the nature of these.

Other information

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.
The following non-recurring income and expenses were identified in 2024 and 2023:

Non-recurring items	2024	2023
Acquisition costs	(1,115)	(381)
Personnel expenses	(1,674)	-
Devaluation of equity investments	(492)	(3,744)
Accrual for tax provision	(2,450)	-
Total	**(5,731)**	**(4,125)**

Incentive Plans

On May 12, 2020, the Shareholders' AGM 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", consists of three rolling allocation cycles, each lasting three years. The 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. Furthermore:

- the first cycle came to a close in 2022, and in January 2023, 93,255 shares, representing all of the shares vested, were allocated to plan participants.
- the second cycle came to a close in 2023, and in January 2024, 161,113 shares, representing all of the shares vested, were allocated to plan participants.
- the third cycle came to a close in 2024, and in February 2025, 165,178 shares, representing all of the shares vested, were allocated to plan participants.

The second, called the "2020 - 2022 Long-Term Monetary Incentive Plan" comprises three rolling allocation cycles, each lasting three years. The plan stipulates that the beneficiaries are identified from among the Executives and employees or collaborators at the Piovan Group's companies, providing for monetary incentives. The last cycle ending in 2024 was settled in early 2025.

The third plan, called the "2020-2022 Phantom Stock Option Plan", is for the Executive Directors and Senior Executives of Piovan S.p.A.. This is a long-term plan divided into three cycles, each lasting three years. The 2020 and 2021 cycles ended in 2022 and 2023, respectively, and therefore the accrued amounts were paid to the beneficiaries. With regards to the 2022 cycle which concludes with FY 2024, it is recalled that in January 2025, partly in view of the completion of the transaction for the acquisition of the Piovan Group by Automation System, it was resolved to convert it to a share plan. The regulation allowed for the possibility to amned the content of the plan itself upon a resolution of the Board of Directors. Therefore, in February 2025, 170,450 shares were allocated to the beneficiaries.

The vesting of the three plans outlined above was linked to performance targets, related to the Group's consolidated sales volume and EBITDA.

Finally, on April 24, 2023, the Shareholders' AGM approved the new stock grant plan for ordinary company shares, called the "2023-2025 Long Term Incentive Plan". This new plan is divided into three cycles (the first covering the 2023- 2025 vesting period, the second covering the 2024-2026 vesting period, and the third covering the 2025-2027 vesting period). Beneficiaries of the plan are individually identified by the Board of Directors, upon the proposal of the Chairperson of the Board of Directors, and having heard the opinion of the Nomination and Remuneration Committee, as the Executive Directors (excluding the Executive Chairperson) and the Senior Executives (as formally identified), with additional beneficiaries identified by the Chairperson of the Board of Directors from among the employees and/or collaborators of the Company or Subsidiaries due to the strategic importance of the roles, as follows:

- - by December 31, 2023 for the First Cycle;
- - by December 31, 2024 for the Second Cycle;
- - by December 31, 2025 for the Third Cycle;

The allocation of the initial rights will take place free of charge, with the relevant Beneficiaries not required to pay any consideration to the Company for such allocation.
Initial rights will be allocated based on performance rights (90%), linked to the achievement of certain Group targets, and retention rights (10%), linked to continued employment. Performance Rights may accrue in a range from 0 to approximately 120% of the initial rights. The Performance Goals for each Cycle are set by the Board of Directors, after consultation with the Nomination and Remuneration Committee, in accordance with the provisions of the Plan, and communicated to each Beneficiary, for the First Cycle, indicatively by June 30, 2023, and for each subsequent Plan Cycle indicatively by March 31 of the first year of that Plan Cycle. Performance targets are based on both "market conditions" and "non-market conditions". Furthermore, it is underlined that the Plan's goals include objectives related to ESG topics.
The plan regulation included the possibility of being able to convert it from a cash settled plan to an equity settled plan. In addition, the same regulation stipulates, that if a change of control transaction is carried out, the beneficiaries have the right to the allocation (including through the payment of the relevant monetary consideration) of the shares in advance and regardless of the fulfillment of the conditions stipulated in the Plan regulation.
Therefore, in view of the completion of the transaction for the acquisition of the Piovan Group by Automation System finalized in January 2025, it was resolved to accelerate the first two cycles, which matured on December 31, 2023 and December 31, 2024, respectively. It was also decided to convert the plan from equity settled to cash settled for only the employee beneficiaries of the foreign subsidiaries, and for the employees of the Italian subsidiaries who were allocated shares linked only to the condition of continued employment. See Note [14] for further details on the plans.

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, 2023.

31.12.2024	IFRS 9 categories	Book value	Level 1	Level 2	Level 3
Current accounts and post office deposits	Receivables and loans	48,354	-	48,354	-
Cash	Receivables and loans	1	-	1	-
Cash and cash equivalents		**48,355**	**-**	**48,355**	**-**
Trade receivables	**Receivables and loans**	**21,456**	**-**	**-**	**21,456**
Current financial assets	**Receivables and loans**	**2,931**	**-**	**-**	**2,931**
Non Current financial assets	**Receivables and loans**	**7,539**	**-**	**7,539**	**-**
Total financial assets	**Receivables and loans**	**80,281**	**-**	**55,894**	**24,387**
Bank borrowings	Liabilities at amortised cost	60,464	-	60,464	-
Payables to other lenders	Liabilities at amortised cost	1,173	-	1,173	-
Non-current financial liabilities		**61,637**	**-**	**61,637**	**-**
Short-term bank loans	Liabilities at amortised cost	-	-	-	-
Short-term bank loans	Liabilities at amortised cost	32,462	-	32,462	-
Payables to other lenders	Liabilities at amortised cost	53,756	-	53,756	-
Current financial liabilities		**86,218**	**-**	**86,218**	**-**
Trade payables	**Liabilities at amortised cost**	**26,950**	**-**	**-**	**26,950**
Advances from customers	**Liabilities at amortised cost**	**2,879**	**-**	**-**	**2,879**
Total financial liabilities		**177,684**	**-**	**147,855**	**29,829**

31.12.2023	IFRS 9 categories	Book value	Level 1	Level 2	Level 3
Current accounts and post office deposits	Receivables and loans	45,623	-	45,623	-
Cash	Receivables and loans	1	-	1	-
Cash and cash equivalents		**45,624**	**-**	**45,624**	**-**
Trade receivables	**Receivables and loans**	**23,665**	**-**	**-**	**23,665**
Current financial assets	**Receivables and loans**	**11,480**	**6,531**	**-**	**4,949**
Non Current financial assets	**Receivables and loans**	**22,500**	**-**	**22,500**	**-**
Total financial assets	**Receivables and loans**	**103,268**	**6,531**	**68,124**	**28,613**
Bank borrowings	Liabilities at amortised cost	79,624	-	79,624	-
Payables to other lenders	Liabilities at amortised cost	1,176	-	1,176	-
Non-current financial liabilities		**80,800**	**-**	**80,800**	**-**
Short-term bank loans	Liabilities at amortised cost	-	-	-	-
Short-term bank loans	Liabilities at amortised cost	36,567	-	36,567	-
Payables to other lenders	Liabilities at amortised cost	47,912	-	47,912	-
Current financial liabilities		**84,478**	**-**	**84,478**	**-**
Trade payables	**Liabilities at amortised cost**	**25,263**	**-**	**-**	**25,263**
Advances from customers	**Liabilities at amortised cost**	**2,139**	**-**	**-**	**2,139**
Total financial liabilities		**192,680**	**-**	**165,278**	**27,401**

Related party transactions

During 2024 and 2023 the Company had commercial relations with subsidiaries and some related parties of the Group.
In accordance with the provisions of IAS 24, the following entities are considered Related Parties: (a) companies that directly or indirectly through one or more intermediate companies, control, or are controlled or are under common control with the reporting entity; (b) associated companies; (c) natural persons who directly or indirectly have voting power in the reporting entity that gives them a dominant influence over the company and their immediate family members; (d) key management personnel, i.e. those who have the power and responsibility for planning, directing and controlling the activities of the reporting entity, including directors and officers of the company and the immediate family members of such persons; (e) companies in which any natural person described under (c) or (d) has, directly or indirectly, significant voting power, or over which such person has such power. Case (e) includes undertakings owned by the directors or major shareholders of the reporting entity and undertakings which have a manager with strategic responsibilities in common with the reporting entity.
All transactions are regulated at market conditions for goods and services of equal quality.

Transactions as of 31.12.2024	Nature of transactions	Property, Plant & Equipment and IFRS16	Trade Receivables	Other current assets	Non current financial asset	Current financial asset	Trade payables	Current financial liabilities	Non-current financial liabilities	Other non-current liabilities	Other current liabilities	Revenues	Expenses
Subsidiaries													
Piovan Canada Ltd	Subsidiary	-	379	-	-	-	-	10	-	-	-	3,234	59
Piovan Germania GmbH	Subsidiary	-	564	-	-	-	-	13	-	-	-	16,998	81
Piovan Central Europe GmbH	Subsidiary	-	155	-	-	-	-	8	-	-	-	7,051	166
Piovan Uk Ltd	Subsidiary	-	106	-	-	-	-	579	-	-	-	2,037	1,212
FEA S.r.l.	Subsidiary	-	147	-	-	2,781	-	-	-	-	-	279	-
Piovan Do Brasil	Subsidiary	-	1,355	-	-	-	-	181	-	-	-	1,756	1,079
Piovan Plastics Machinery Ltd	Subsidiary	-	1,070	-	-	-	-	425	-	-	-	1,403	198
Piovan Mexico S.A.	Subsidiary	-	353	-	-	-	-	2	-	-	-	7,000	71
Piovan Hungary Kft	Subsidiary	-	1	-	-	-	-	-	-	-	-	1	-
Piovan France Sas	Subsidiary	-	165	-	-	-	-	527	-	-	-	6,347	672
Piovan Czech Republic s.r.o.	Subsidiary	-	7	-	-	-	-	25	-	-	-	8	83
Universal Dynamics Inc	Subsidiary	-	994	-	-	-	-	19	-	-	-	5,302	18
Piovan Asia Pacific Ltd	Subsidiary	-	551	-	-	-	-	45	-	-	-	2,875	153
FDM GmbH	Subsidiary	-	143	-	-	-	-	348	-	-	-	436	712
Piovan India Private Ltd	Subsidiary	-	485	-	-	-	-	35	-	-	-	693	139
Piovan Mühendislik Ltd	Subsidiary	-	639	-	-	-	-	834	-	-	-	421	471
Aquatech S.r.l.	Subsidiary	-	177	-	-	-	-	78	-	-	32	735	423
Penta S.r.l.	Subsidiary	-	252	-	-	-	-	352	-	-	-	257	1,575
Piovan Gulf FZE	Subsidiary	-	98	-	-	-	-	271	-	-	-	88	749
Energys S.r.l.	Subsidiary	-	-	-	-	-	-	-	-	-	-	1	64
Piovan Vietnam Company Ltd	Subsidiary	-	57	-	-	-	-	37	-	-	-	34	15
Piovan Japan Inc.	Subsidiary	-	111	-	-	-	-	24	-	-	-	34	149
Piovan Maroc S.a.r.l.	Subsidiary	-	4	-	-	-	-	350	-	-	-	2	279
Doteco S.p.A.	Subsidiary	-	220	-	-	-	-	543	-	-	-	455	1,287
Doteco Inc	Subsidiary	-	2	-	-	-	-	-	-	-	-	2	-
Piovan North America Llc	Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Piovan Industrial Automation Co. Ltd.	Subsidiary	-	2	-	-	-	-	-	-	-	-	2	-
PT Piovan Technology Indonesia	Subsidiary	-	11	-	-	-	-	-	-	-	-	1	-
Ipeg inc	Subsidiary	-	307	-	-	-	-	-	-	-	-	647	-
Conair	Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Republic Machine Inc.	Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Thermal Care Inc.	Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Pelletron US	Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Ipeg Holdings	Subsidiary	-	94	-	7,539	-	-	-	-	-	-	301	-
Piovan NA	Subsidiary	-	434	-	-	-	-	-	-	-	-	434	-
Pelletron Europe	Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Conair Mexicana S.A. de C.V.	Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Conair Asia Pte Ltd	Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Conair Taiwan	Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Conair Pacific Equipment Pte Ltd	Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Conair trading (Shangai) Co Ltd	Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Nu-Vu Conair Private Limited	Subsidiary	-	1	-	-	-	-	-	-	-	-	17	-
Piovan Korea	Subsidiary	-	3	-	-	150	-	-	-	-	-	3	-
Total		**-**	**8,887**	**-**	**7,539**	**2,931**	**-**	**4,706**	**-**	**-**	**32**	**58,854**	**9,655**
Associated company													
C.M.G. SPA	Associated company	-	-	-	-	-	-	144	-	-	-	-	385
Parent company													
PENTAFIN S.P.A.*	Parent company	-	2	552	-	-	-	-	-	-	-	-	-
Other related parties													
Nicola Piovan	(*)	133	-	9	-	-	-	-	-	-	57	-	1,298
Filippo Zuppichin	(**)	-	-	-	-	-	-	-	-	-	-	5	2,076
Other Board of directors' members	Directors	-	-	-	-	-	-	-	-	-	57	-	189
TOTAL		**133**	**8,889**	**561**	**7,539**	**2,931**	**-**	**4,850**	**-**	**-**	**146**	**58,859**	**13,603**

(*) Chairman of the BoD of Piovan S.p.A. and Sole shareholder of Pentafin S.p.A

(**) Chief executive officer and shareholder of Piovan S.p.A

Transactions at 31.12.2023	Nature of transactions	Property Plant & Equipement and IFRS16	Trade recievables	Other current assets	Non current financial asset	Current financial asset	Trade payables	Current financial liabilities	Non current financial liabilities	Other non current liabilities	Other current liabilities	Revenues	Expenses
Subsidiary													
PIOVAN CANADA LTD	Subsidiary	-	550	-	-	-	11	-	-	-	-	2,094	81
PIOVAN GMBH	Subsidiary	-	590	-	-	-	25	-	-	-	-	13,388	66
PIOVAN CENTRAL EUROPE	Subsidiary	-	137	-	-	-	16	-	-	-	-	11,646	208
PIOVAN UK LIMITED	Subsidiary	-	69	-	-	-	83	863	-	-	-	1,761	440
FEA S.R.L.	Subsidiary	-	154	-	-	4,924	-	-	-	-	-	190	-
PIOVAN DO BRASIL LTD	Subsidiary	-	1,705	-	-	-	47	-	-	-	-	1,733	1,186
PIOVAN PLASTICS MACHINERY	Subsidiary	-	747	-	-	-	202	-	-	-	-	1,287	102
PIOVAN MEXICO S.A.	Subsidiary	-	516	-	-	-	44	-	-	-	-	9,592	239
Piovan Hungary Kft	Subsidiary	-	1	-	-	-	-	-	-	-	-	2	-
PIOVAN FRANCE	Subsidiary	-	61	-	-	-	245	-	-	-	-	3,922	540
PIOVAN CZECH REPUBLIC	Subsidiary	-	10	-	-	-	35	-	-	-	-	11	35
UNIVERSAL DYNAMICS	Subsidiary	-	363	-	-	-	1	-	-	-	-	4,379	188
TOBA Pnc	Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
PIOVAN ASIA PACIFIC	Subsidiary	-	373	-	-	-	46	-	-	-	-	1,930	269
FDM GMBH	Subsidiary	-	127	-	-	-	499	5,000	-	-	-	420	1,386
PIOVAN INDIA PVT LTD	Subsidiary	-	150	-	-	-	149	-	-	-	-	363	130
PIOVAN MUHENDISLIK	Subsidiary	-	218	-	-	260	269	-	-	-	-	487	456
AQUATECH S.R.L.	Subsidiary	-	131	-	-	-	49	1,676	-	-	32	635	420
PENTA SRL	Subsidiary	-	196	13	-	-	369	22,229	-	-	-	359	1,222
PIOVAN GULF FZE	Subsidiary	-	18	-	-	-	233	-	-	-	-	31	574
ENERGYS SRL	Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
PROGEMA SRL	Subsidiary	-	2	-	-	-	64	381	-	-	-	25	86
PIOVAN VIETNAM LTD	Subsidiary	-	23	-	-	-	20	-	-	-	-	14	-
PIOVAN JAPAN INC.	Subsidiary	-	77	-	-	285	19	-	-	-	-	11	-
PIOVAN MAROC	Subsidiary	-	2	-	-	-	190	-	-	-	-	2	230
Doteco SpA	Subsidiary	-	123	-	-	-	348	17,239	-	-	-	164	572
Doteco Inc.	Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Studio Ponte Srl	Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Piovan North America	Subsidiary	-	911	-	22,500	-	-	-	-	-	-	830	-
Piovan Industrial Automation Co. Ltd.	Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
PT Piovan Technology Indonesia	Subsidiary	-	11	-	-	-	-	-	-	-	-	10	-
Ipeg inc	Subsidiary	-	-	-	-	-	-	-	-	-	-	2	-
Total		**-**	**7,267**	**13**	**22,500**	**5,469**	**2,965**	**47,388**	**-**	**-**	**32**	**55,287**	**8,430**
Associated company													
C.M.G. SPA	Associated company	-	-	-	-	-	92	-	-	-	-	5	507
Parent company													
PENTAFIN S.P.A.*	Parent company	-	1	-	-	-	-	-	-	-	757	-	-
Other related parties													
Nicola Piovan	(*)	157	-	11	-	-	-	50	118	-	57	-	1,295
Filippo Zuppichin	(**)	11	-	-	-	-	-	-	-	364	605	-	1,639
Other Board of directors' members	Directors	-	-	-	-	-	-	-	-	-	55	-	175
TOTAL		**168**	**7,267**	**24**	**22,500**	**5,469**	**3,057**	**47,438**	**118**	**364**	**1,506**	**55,292**	**12,046**

(*) Chairman of the BoD of Piovan S.p.A. and Sole shareholder of Pentafin S.p.A

(**) Chief executive officer and shareholder of Piovan S.p.A

Commitments and risks

At December 31, 2024, the Company provided guarantees to third parties as indicated below:

- Euro 1,225 thousand for guarantees in favor of third parties against advances received for contract work-in-progress;
- Euro 10 thousand for guarantees in favor of third parties of the Parent Company Piovan S.p.A..

At December 31, 2024, 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 30.414 thousands. It is specified that of these 30,414 thousand euros, 22,000 thousand euros are guarantees provided to a credit institution on behalf of Pelletron Corp, which used 12,241 thousand euros to provide guarantees to customers in return for advances received for current sales contracts.

Contingent liabilities and contingent assets

We are not aware of the existence of further disputes or proceedings that are likely to have significant repercussions on the Group's financial performance or standing other than as described in the Directors' Report and in the notes to the consolidated financial statements.

We are not aware of any contingent assets of significance to the Group's financial performance or standing.

Disbursements from the Public Administration – Transparency obligations under Italian Law No. 124 of 2017

Provided below is a list of subsidies, grants, paid positions, and other economic benefits of any kind received from public bodies or from other entities defined under Article 1(125) of Law 124 of 2017 by companies of the Group in 2022:

Piovan S.p.A.:

With regard to the tax credit for research, development and innovation, as per Law 160/2019 as amended, the Company utilized during 2024 the amount of Euro 214,776 (of which Euro 53,171, tranche III 2020, 96,069 tranche II 2021 and Euro 65,536, tranche I 2022).

With regard to the tax credit for capital goods spending, as per Law 178/2020 as amended, the Company used Euro 77,718 of this credit in 2024.

- Based on that indicated in the National Aid Register, the Company has a guarantee available, received in 2022, within the scope of COVID-19 state aid (SME guarantee fund for state aid SA 569666 – 2020(N) – Direct guarantee) in the amount of Euro 306,029.45.
- In 2024, the Company received a grant of Euro 30,936 for training programs from Fondimpresa and 1,172 for training programs from Fondidirigenti.

- On March 10, 2020, the Company submitted an application with the Ministry for Economic Development based on the Agreements for Innovation (Ministerial Decree 24.05.2017) for a research and development project entitled “PIOVAN - Smart Factory”: Which concerns next-generation machinery for the processing of plastics in both granular and powdered form, including from the recycling process, which can be easily integrated into an interconnected system that can share data with customer systems.

The project concerns the development of a series of advanced, highly efficient auxiliary machines for the storage, transport and processing of polymers in both granular and powder form that feature a greater level of control and can be easily integrated into an entire automated line. The ultimate goal of Piovan S.p.a. is to create an advanced, self-adapting system that will enable customers to run their factories with fewer defects, a better use of energy and other resources, and greater process safety, so as not to lose competitive advantage in the transition to Industry 4.0.

Project F/130047/00/X38 was approved by the Ministry for Economic Development on August 6, 2020, by way of Decree No. 3014, for a total cost of Euro 8,236,169.08 and with the following facilities:

- Ministry spending grant Euro 1,647,233.82
- Ministry subsidized financing Euro 411,808.45
- Subsidized financing by the Veneto Region Euro 411,808.45

The project was begun on April 1, 2019. On September 30, 2020, partial suspension of the program was requested in response to COVID. The project came to a close on August 31, 2022.

On January 20, 2021, the first progress report was submitted for costs incurred for the period April 1, 2019, to August 6, 2020, for a reported cost of Euro 2,353,643.36, approved for Euro 2,234,241.70. In relation to these costs, the company received the following disbursements:

- On December 22, 2021, spending grant in the amount of Euro 446,848.34
- On December 22, 2021, subsidized financing of Euro 111,712.09 from the Ministry for Economic Development and Euro 111,712.09 from the Region of Veneto.

On May 8, 2021, the second progress report was submitted for costs incurred for the period August 7, 2020, to February 6, 2021, for a reported cost of Euro 1,232,436.82, approved for Euro 1,224,698.51. In relation to these costs, the company received the following disbursements:

- On March 3, 2022, spending grant in the amount of Euro 244,939.70
- On December 22, 2021, subsidized financing of Euro 61,234.92 from the Ministry for Economic Development and Euro 61,234.92 from the Region of Veneto.

On December 13, 2021, the third progress report was submitted for costs incurred for the period February 7, 2021, to August 6, 2021, for a reported cost of Euro 1,321,354.56, approved for Euro 1,319,442.03. In relation to these costs, the company received the following disbursements:

- On July 14, 2022, spending grant in the amount of Euro 263,888.41
- On July 14, 2022, subsidized financing of Euro 65,972.10 from the Ministry for Economic Development and Euro 65,972.10 from the Region of Veneto.

On June 12, 2022, the fourth progress report was submitted for costs incurred for the period August 7, 2021, to February 6, 2022, for a reported cost of Euro 1,172,306.16, approved for Euro 1,171,057.19. In relation to these costs, the company received the following disbursements:

- On December 5, 2022, spending grant in the amount of Euro 234,211.44
- On December 5, 2022, subsidized financing of Euro 58,552.86 from the Ministry for Economic Development and Euro 58,552.86 from the Region of Veneto.

On November 23, 2022, the balance of costs incurred for the period February 7, 2022, to August 31, 2022, for a reported cost of Euro 1,775,554.85, approved for Euro 1,714,606.12. In relation to these costs, the company received the following disbursements:

- On December 21, 2023, spending grant in the amount of Euro 292,622.55
- On December 21, 2023, subsidized financing of Euro 73,155.64 from the Ministry for Economic Development and Euro 73,155.64 from the Region of Veneto.

On May 23, 2023, the final report was issued, which includes a summary of the entire project with a specification of the approved spending; therefore, the definitive approved spending totaled Euro 7,664,045.55.

Finally, on 07.11.2024 the Decree for the definitive granting of the incentives was issued, which provides for a final disbursement of the balance, as detailed below:

- Spending grant contribution equal to €50,298.67
- subsidized financing equal to €12,574.67 by the Mise and Euro 12,574.67 by the Veneto Region.

The actual disbursement of the balance of the above occurred on 11.03.2025, bringing the total received as:

- spending grant contribution to Euro 1,532,809.11
- subsidized financing, currently being reimbursed as per the repayment plans, to Euro 766,404.56.

Remuneration paid to Directors and Statutory Auditors

Remuneration paid to Directors, Statutory Auditors and Senior Managers for the year ended December 31, 2022 compared to the previous year are shown below:

€/000	2024	2023
Directors	3,432	2,868
Managers with strategic responsibilities	2,506	1,952
Statutory auditors	75	75

Disclosure pursuant to Article 149-duodecies of the Consob Issuers' Regulation – fees for independent auditors

The following table, drawn up pursuant to Article 149-duodecies of the Consob Issuers' Regulation, highlights the fees charged in the year 2023 for auditing and non-auditing services rendered by this appointed independent audit firm and by the companies in its network.

Type of service	Supplier	Customer	Fees 2024
External audit of accounts	Auditor of the parent company	Parent company	187
External audit of accounts and review	Auditor of the parent company	Parent company	35
Non-audit services	Network of the parent company's auditors	Parent company	85
Totale			**307**

Subsequent events after December 31, 2024

As presented in the Directors' Report, the significant events after December 31, 2024, were as follows:

Sale of the controlling interest in Piovan S.p.A. by Pentafin S.p.A. and related events

Obtaining the required authorizations

On January 10, 2025, a press release was issued in which the Purchaser (as previously defined) announced - with reference to the notification regarding the transaction made to the Austrian Authority in charge of foreign investment control with respect to Piovan Central Europe GmbH (described above) - the release of the clearance for the transaction.

In light of the above, the Purchaser on that date therefore obtained all required approvals under the applicable regulations for the purpose of completing the transaction.

Finalization of the change of control of Piovan S.p.A. and entry into office of the new Board of Directors

On January 28, 2025, Automation Systems S.p.A. completed the purchase of a total stake in Piovan of 64.82% of Piovan's share capital and 67.83% of the related voting rights, net of treasury shares, in execution of the two sale and purchase agreements - respectively with Pentafin S.p.A. and 7-Industries Holding B.V. - signed and disclosed to the market on July 19, 2024.

As a result of the closing of the Transaction, (i) the shareholder agreements already disclosed in accordance with law and outlined above came into effect, and (ii) the new Board of Directors of Piovan, appointed by the Shareholders' AGM of October 1, 2024, took office with effect subject to the closing of the Transaction. The new Board of Directors - which will remain in office until the Shareholders' AGM called to approve the 2025 Annual Accounts – is composed of Nicola Piovan (Executive Chairman), Filippo Zuppichin, Roberto Ardagna, Chiara Arisi, Elena Biffi (independent member), Michela Cassano (independent member), and Mario Cesari (independent member).

Following the completion of the Transaction, Automation Systems is required to make a mandatory full public tender offer for the remaining shares of Piovan, at a price of Euro 14.00 per Piovan share, aimed at delisting the Company's shares from the Euronext STAR Milan (the "Offer").

Resolutions of the new Board of Directors of Piovan S.p.A. following the finalization of the change of control

The Board of Directors of Piovan S.p.A., which took office along with the Closing, met for the first time on January 29, 2025. The new Board of Directors confirmed Mr. Nicola Piovan as Executive Chairman and Mr. Filippo Zuppichin as Chief Executive Officer (CEO) of the Company, granting them the relevant powers. In view of these delegated powers, the Board of Directors assigned Chief Executive Officer Filippo Zuppichin the duty of establishing and maintaining the Internal Control and Risk Management System in accordance with Article 6, Recommendation 32, of the Corporate Governance Code.

The Board of Directors also:

- appointed Independent Director Elena Biffi as Lead Independent Director;
- appointed the members of the Company's internal Board committees and, more specifically, the Nomination and Remuneration Committee, the Control, Risks and Sustainability Committee and the Related Party Transactions Committee, as follows: (i) Nomination and Remuneration Committee: Directors Michela Cassano (Chairperson), Elena Biffi and Mario Cesari; (ii) Control, Risk and Sustainability Committee: Michela Cassano (Chairperson), Elena Biffi and Mario Cesari; (iii) Related Parties Committee: Elena Biffi (Chairperson), Michela Cassano and Mario Cesari.

Subsequently, on February 27, 2025, the Board of Directors of Piovan S.p.A. approved the press release prepared pursuant to Article 103, paragraph 3 of Legislative Decree No. 58 of February 24, 1998, as subsequently amended (the "CFA") and Article 39 of the Regulations adopted by Consob Resolution No. 11971 of May 14, 1999, as subsequently amended (the "Issuers' Regulation") and containing the reasoned assessment of the Board of Directors (i) on the mandatory full public tender offer promoted pursuant to Articles 102 and 106 of the CFA by Automation Systems S.p.A. on all of the Issuer's shares and (ii) on the appropriateness of the related consideration.

For the purpose of issuing the Issuer's Press Release, the Board of Directors has, among other matters, reviewed and taken into account the opinion issued on February 27, 2025 by the Independent Directors pursuant to Article 39-bis of the Issuers' Regulation, to which the fairness opinion issued by Vitale & Co. as the financial advisor appointed by the Independent Directors for the purpose of their assessments was attached. At the outcome of the meeting, the Board of Directors, also based on the content of the Fairness Opinion and the Independent Directors' Opinion, considered the consideration of Euro 14.00 per share of the Issuer to be tendered to the Offer to be fair from a financial point of view.

Launch of the mandatory full public tender offer

On February 28, 2025, the offer document, approved by Consob regarding the mandatory totalitarian public tender offer, was published. The offer document can be found on the Piovan Group's website (www.piovan.com), and has been disseminated to the public through the usual communication channels. The offer period for Offers, agreed with Borsa Italiana, corresponds to 15 trading days, and is expected to end March 21, 2025, unless extended, in which case the last day of the offer will be April 4, 2025.
Reference should be made to the Offer Document for full details of all the terms and conditions of the Offer.

Opening of the new Chinese facility

On January 15, 2025, the Group's Chinese manufacturing company ("Piovan China") opened a new facility in Suzhou, Jiangsu Province, for a total investment of more than Euro 10 million. The 15,000-square-meter plant is designed to promote the Piovan Group in Asia as a leading player in the development and production of complete automation systems for processing plastics, food powders and refrigeration solutions. The new location will provide facilities, engineering consulting, training and after-sales service to all subsidiaries in the Group's APAC region, including Piovan Asia Pacific in Bangkok, Piovan Vietnam in Ho Chi Minh City, Piovan Japan in Kobe, Piovan Korea in Seoul, South Korea, Piovan Indonesia in Jakarta, and Conair Asia in Taiwan and Singapore. The move of operations to the new location is planned during the first half of 2025.

Acquisition of 50% of the associated company Penta Auto Feeding India Limited

On January 18, 2025, Piovan India Private Limited (a wholly-owned subsidiary of Piovan S.p.A.) signed a binding agreement to purchase a 50% interest in Penta Auto Feeding Limited ("Penta India") from Kabra Extrusiontechnik Limited ("Kabra"). The remaining 50% of Penta India was already owned by Penta S.r.l. - a wholly-owned subsidiary of Piovan S.p.A.. The transaction was finalized on February 6, 2025. As a result, the Piovan Group therefore holds 100% of Penta India.

Piovan S.p.A. - Tax Audit

With regards to that outlined in detail in the “**Significant events in the year**” paragraph, on February 26, 2025, in continuity with that which occurred for the notice of assessment for FY 2017, the Company filed its appeal against the notice of assessment for 2018 with an application for an interim suspension and a public hearing before the Tax Court of First Instance in Venice.

No other events subsequent to December 31, 2024 are reported.

Allocation of the result for the year

Piovan S.p.A. closed 2024 with a net profit of Euro 17,472,752.61, which the Board of Directors proposes to fully allocate to the extraordinary reserve.

Santa Maria di Sala (Venezia), March 20, 2025

For the Board of Directors

Executive Chairman
Nicola Piovan

Declaration of the separate annual financial statements

Declaration of the Separate Annual Financial Report as per Article 154-bis of Legs. 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, March 20, 2025

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

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

of the administrative and accounting procedures for the compilation of the separate annual financial statements for 2024.

No significant aspect emerged concerning the above.

In addition, we declare that the separate financial statements at December 31, 2024:

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, statement of financial position and operating results of the issuer.

The Directors’ Report includes a reliable analysis on the performance and operating result,

as well as the issuer's situation, together with a description of the main risks and uncertainties to which it is exposed.

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

Auditors' report of the annual separate financial statement

Deloitte & Touche S.p.A.
Via Fratelli Bandiera, 3
31100 Treviso
Italia

Tel: +39 0422 5875
Fax: +39 0422 587812
www.deloitte.it

INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010 AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
PIOVAN S.p.A.

REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the separate financial statements of Piovan S.p.A. (the "Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

There are no key audit matters to communicate in this report.

Responsibilities of the Directors and the Board of Statutory Auditors for the Separate Financial Statements

The Directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or for the termination of the operations or have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Piovan S.p.A. has appointed us on 14 September 2018 as auditors of the Company for the years from 31 December 2018 to 31 December 2026.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the separate financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of Piovan S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF – European Single Electronic Format) (hereinafter referred to as the "Delegated Regulation") to the separate financial statements as at 31 December 2024, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the separate financial statements with the provisions of the Delegated Regulation.

In our opinion, the separate financial statements as at 31 December 2024 have been prepared in XHTML format in accordance with the provisions of the Delegated Regulation.

Opinions and statement pursuant to art. 14, paragraph 2, sub-paragraphs e), e-bis) and e-ter), of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Piovan S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and ownership structure of Piovan S.p.A. as at 31 December 2024, including their consistency with the related financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the separate financial statements;
- express an opinion on the compliance with the law of the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;
- make a statement about any material misstatement in the report on operations and in some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

In our opinion, the report on operations and the specific information contained in the report on corporate governance and ownership structure are consistent with the separate financial statements of Piovan S.p.A. as at 31 December 2024.

In addition, in our opinion, the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and the specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

Our opinion on the compliance with the law does not extend to the section related to the consolidated corporate sustainability reporting. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

DELOITTE & TOUCHE S.p.A.

Signed by
Barbara Moscardi
Partner

Treviso, Italy
28 March 2025

As disclosed by the Directors, the accompanying separate financial statements of Piovan S.p.A. constitute a non-official version which has not been prepared in accordance with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Board of statutory auditors' report on the separate financial statements

BOARD OF STATUTORY AUDITORS' REPORT

IN ACCORDANCE WITH ARTICLE 153OF LEGISLATIVE DECREE 58/1998AND ARTICLE 2429 OF THE CIVIL CODE

TO THE SHAREHOLDERS' MEETING OF PIOVAN S.P.A. OF APRIL 29, 2025

Dear Shareholders,

The Board of Statutory Auditors currently in office was appointed by the Shareholders' Meeting of Piovan S.p.A. (hereafter the "Company") on April 29, 2024 and its mandate will conclude with the Shareholders' Meeting to approve the financial statements at December 31, 2026.

Pursuant to Article 153, paragraph 1 of Legislative Decree No. 58 of February 24, 1998 (hereinafter, the "CFA"), the Board of Statutory Auditors reports on the supervisory and control activities provided for by applicable legislation, with particular regard to the provisions of the Civil Code, Articles 148 and subsequent of the CFA, Legislative Decree No. 39 of January 27, 2010, as amended by Legislative Decree No. 135 of July 17, 2016 and Legislative Decree No. 254 of 2016. Instructions contained in the CONSOB communications concerning corporate controls, the activity of the Board of Statutory Auditors, the principles of conduct recommended by the National Council of Accountants and Accounting Experts and the indications contained in the Corporate Governance Code of listed companies promoted by Borsa Italiana, to which the Company has declared it adheres. are also taken into consideration.

This Report is being provided to the shareholders of Piovan S.p.A. in view of the Shareholders' Meeting called in a single call for April 29, 2025 to approve the Annual Financial Statements of Piovan S.p.A. as of December 31, 2024 and present the Consolidated Financial Statements at December and the Corporate Sustainablity Reporting as of December 31, 2024.

* * *

Activities carried out by the Board of Statutory Auditors during 2024 and up to the date of this report are presented below, also with reference to the requirements of Consob Communication No. DEM/1025564 of April 6, 2001 and subsequent amendments.

1. Significant operating, financial and equity transactions.

The main transactions and events occurred in 2024 have been duly described in the paragraph "Significant events of the year" within the Directors' Report (a single Directors' Report for the separate and consolidated financial statements) to which reference should be made. They are as follows:

- New facility in China
- Consolidation of Group brands and refrigeration activities
- Acquisition of a 1% stake in Nu-Vu Conair Private Ltd
- Piovan S.p.A. - Tax Audit
- Condenso: finalist at plastic recycling awards Europe
- Payment of earnout related to the acquisition of the IPEG Group
- Shareholders' AGM of April 29, 2024
- Share capital increase in Fea Ptp S.r.l.
- NuVu office expansion
- Sale of the controlling interest in Piovan S.p.A. by Pentafin S.p.A. and related events

The aforementioned paragraph contains the main information regarding the events described which affected the economic and financial performance of the Group in 2024, the effects of which on the captions of the Financial Statements are explained in the explanatory notes from time to time.

With regards to the Events after the reporting period, described in the specific paragraph of the consolidated Directors' Report, to which reference should be made, we highlight:

- On January 28, 2025, Automation Systems S.p.A. completed the purchase of a total stake in Piovan of 64.82% of Piovan's share capital and 67.83% of the related voting rights, net of treasury shares, in execution of the two sale and purchase agreements - respectively with Pentafin S.p.A. and 7-Industries Holding B.V. - signed and disclosed to the market on July 19, 2024. On February 28, 2025, as result of the purchase, Automation System S.p.A. launched a mandatory totalitarian public tender offer on the remaining Piovan's shares (regarding the updates related to the result of the tendere offer as of the date of this report, please refer to the relevant press releases promptly published by the Company);
- On January 15, 2025, the Group's Chinese manufacturing company ("Piovan China") inaugurated a new facility in Suzhou, Jiangsu Province, for a total investment of more than Euro 10 million. The 15,000-square-meter plant is designed to promote Piovan Group in Asia as a leading player in the development and production of complete automation systems for processing plastics, food powders and refrigeration solutions. The move of operations to the new location is planned during the first half of 2025.
- On January 18, 2025, Piovan India Private Limited signed a binding agreement to purchase a 50% interest in Penta Auto Feeding Limited from Kabra Extrusiontechnik Limited. The transaction was inalized on February 6, 2025. As a result, the Piovan Group therefore holds 100% of Penta India.
- With regards to the Tax Audit (detailed in the "Significant events in the year" paragraph), on February 26, 2025, the Company filed its appeal against the Tax Assessment Notice for FY 2018 with an application for an interim suspension and a public hearing before the Court of Tax Justice of Venice.

The Board of Statutory Auditors received information from Directors on an ongoing basis on the activities and significant operating, financial and equity transactions carried out by the Company and its subsidiaries. The Directors have reported these transactions in their Directors' Report, to which reference should be made, also as regards the nature of the transactions and their economic effects.

The Board of Statutory Auditors acquired adequate information on these transactions, which has made it reasonable to consider that these transactions were compliant with the law, the By-Laws and the principles of correct administration and were not imprudent, risky or inconsistent with the resolutions passed by the shareholders' meeting or, in any case, such as to compromise the integrity of the Company's assets.

The Board of Directors, in the Director's report included adequate information regarding Group's outlook, confirming the intention in continuing on the strategic path undertaken, also with respect to ESG matters.

2. Atypical and/or unusual transactions, carried out with third parties, inter-company transactions and transactions with related parties.

The Board of Statutory Auditors has not encountered or received instructions from the Board of Directors, the Independent Audit Firm or the Internal Audit Manager concerning the existence of atypical and/or unusual transactions undertaken with third parties, related parties or inter-company transactions, as defined by the CONSOB Communication DEM/6064293 of July 28, 2006.

In the notes to both the consolidated and separate financial statements, Directors have given an account of transactions carried out during the year with Group companies or related parties, to which reference is made, also as regards the nature of the transactions and their economic effects. In particular, the financial report indicates that the underlying transactions are governed at market conditions if compared with the sale of goods and the provision of services of equal quality.

The Board of Statutory Auditors has verified the approval of the procedure for transactions with related parties adopted by the Company, and monitors the periodic information from the Board of Directors when such transactions are carried out.

Detailed information on the compensation due for the 2024 financial year to directors, control bodies and to managers with strategic responsibilities is indicated in the Remuneration Report prepared in accordance with art. 123-ter of the TUF.

3. Observations and proposals on the findings and requests for disclosure contained in the independent audit firm's report.

On March 28, 2025, the independent audit firm Deloitte & Touche. S.p.A. issued its reports on the Company's separate and consolidated financial statements, pursuant to Article 14 of Legislative Decree 39/2010 and Article 10 of EU Regulation 537/2014. The reports contain no remarks or requests for information and express an opinion on the consistency of the directors' report and the corporate governance and ownership structure report with the related financial statements.

On the compliance of the consolidated financial statements with the provisions of EU Delegated Regulation 2019/815 of the European Commission on regulatory technical standards relating to the specification of the single electronic communication format (ESEF - European Single Electronic Format), the independent audit firm expressed a favorable opinion, and in particular that the consolidated financial statements have been prepared in XHTML format and have been marked in all significant aspects in accordance with ESEF Delegated Regulation. Also, regarding the financial statements prepared in HTML format, in compliance with ESEF Delegated Regulation, the audit firm expressed favorable opinion. The independent audit firm explain that some information included in the explanatory notes, when extracted in XHTML format in an XBRL instance, due to certain technical limitations, may not be reproduced in an identical manner with respect to the corresponding information viewable in the Consolidated Financial Statements in XHTML format.

On March 28, 2025, the independent audit firm Deloitte & Touche. S.p.A., issued for the first time a limited assurance report related to the Piovan Group's Corporate Sustainability Report as of December 31, 2024. The report attest the compliance of the Corporate Sustainability Report with the reporting principles adopted by the European Commission pursuant to Directive 2013/34/EU (European Sustainability Reporting Standards, hereinafter also "ESRS"), as well as compliance with the disclosure obligations set forth in art. 8 of EU Regulation no. 852 of 18 June 2020 (hereinafter also "Taxonomy Regulation").

On March 28, 2025, the independent audit firm also issued their additional report for the Internal Control and Audit Committee, pursuant to Article 11 of EU Regulation 537/2014, without identifing significant deficiencies. About this report the Board of the Statutory Auditors has no observation to report. The Board of Statutory Auditors will inform the Board of Directors of the Company regarding the results of the attestation activity on the Corporate Sustainability Report and the results of the audit of the Financial Statements, transmitting the Additional Report to the Chairman of the Board of Directors pursuant to art. 19 of the Decree.

4. Statements pursuant to Article 2408 of the Civil Code and submission of petitions. Initiatives taken by the Board of Statutory Auditors and related outcomes.

No statement or report was received from shareholders during the financial year 2024. No petitions were submitted to the Board of Statutory Auditors during the year 2024.

5. Conferment of appointments to the independent audit firm and related costs.

The Board of Statutory Auditors was informed by the Independent Audit Firm Deloitte & Touche S.p.A. on the accounting of the fees paid to them and to the companies belonging to the network for services pertaining to FY 2024, as indicated in the annual financial report:

Type of service	Recipient	Recipient	Fees 2024
External audit of accounts	Auditor of the parent company	Parent company	186,775
External audit of accounts	Auditor of the parent company	Subsidiaries	192,098
External audit of accounts	Network of the parent company's auditors	Subsidiaries	108,417
Review of the half-yearly financial statements	Auditor of the parent company	Parent company	35,109
Review of the half-yearly financial statements	Auditor of the parent company	Subsidiaries	45,771
Review of the half-yearly financial statements	Network of the parent company's auditors	Subsidiaries	17,168
External audit of accounts and review	Other auditors	Subsidiaries	208,336
Non-audit services	Network of the parent company's auditors	Parent company	85,000
Non-audit services	Network of the parent company's auditors	Subsidiaries	-
Total			878,673

The Non-audit services provided to the parent company include an agreed upon procedures on the company Penta Auto Feeding India Ltd, amounting to Euro 15,000; an assignment for methodological support in the preparation of the Gap analysis, amounting to Euro 55,100 and an assignment for the provision of training sessions on the main topics related to the European Taxonomy, amounting to Euro 14,900.

Pursuant to the provisions of Article 6, paragraph 2; letter a) of EU Regulation 537/2014, Deloitte & Touche S.p.A. has provided the Board of Statutory Auditors with a statement that, up to this date, it is has taken account of the activities performed, has maintained its position of independence and objectivity in respect of the Company and of the Group.

The Board of Statutory Auditors has received timely notice of the non-audit services provided to the Company by Deloitte & Touche. S.p.A. and by entities belonging to its network, and has issued the relevant authorization, after checking the possible effects on independence, without finding any exceptions to report.

Regarding the attestation report of Corporate Sustainability Reporting, Legislative Decree no. 125/2024 provides that a new assignment should not be conferred if the assignment conferred for the certification of compliance of the Non-Financial Statement (DNF) has not yet been completed. The assignment conferred to Deloitte in 2023 already expressly provided for the possibility of adjusting the fees due in order to include new services that were identified as a result of the entry into force of the CSRD Directive. In this context, the Board took note of the update of the fees referred to in the 2023 assignment letter to Deloitte, a revision that became necessary following the entry into force of Legislative Decree 125/2024 with which the provisions regarding the new sustainability reporting in implementation of EU Directive 2022/2464 (CSRD) were transposed into national law.

6. Main opinions issued by the Board of Statutory Auditors in accordance with applicable legislation.

The undersigned members of the Board of Statutory Auditors declare that, since the date of their appointment until today, they have issued a positive opinion when required by current legislation.

Up to this report's date, the Board of Statutory Auditors has:

- reviewed and positively assessed the Remuneration Policy as per the proposal approved by the Nomination and Remuneration Committee in the meeting of March 18, 2025, as well as the Remuneration Report's approved by the Board of Directors in the meeting of March 20, 2025 and verified that this contains the information required by Article 123-ter of the CFA and Article 84-quater of Consob Regulation 11971/1999; The Remuneration Report's is made by two sections, the first one includes remuneration policy for 2025, that will be subject to the approval of the shareholders' meeting and the second one includes explanation on how the remuneration policy for 2024 was implemented, including the final amounts of remuneration recognized.

- reviewed and positively assessed the text of the Corporate Governance and Ownership Structure Report approved by the Board of Directors in the meeting of March 20, 2025, and verified that this contains the information required by Article 123-bis of the CFA and complies with the provisions of the schedule provided by Borsa Italiana S.p.A.- The Board of Statutory Auditors has monitored on the actual implementation of the corporate governance rules in agreement with the Corporate Governance Code promoted by Borsa Italiana in the version currently in force, in the terms illustrated in the Corporate Governance and Ownership Structures Report for 2024;
- reviewed and positively assessed, together with the Control Risks and Sustainability Committee, the Annual Activity Plan of the Executive Officer for 2024 and the 2025 Audit Plan, each prepared by the respective Managers of the departments and approved by the Board of Directors on March 20, 2025.

7. Attendance of the meetings of the corporate bodies

The Board of Directors met on 9 (nine) times in 2024. Until the date of this report, in 2023, 3 (three) Board of Directors meetings were held, including the one on March 20, 2025 (during which the Annual Integrated Report 2024 was approved).

The Board of Statutory Auditors (always in its entire composition, except for rare exceptions which are duly justified) attended all Board of Directors' meetings, during which it was informed of activities performed and significant transactions made by the Company and its subsidiaries. In addition, the Board of Statutory Auditors attended (always in its entire composition, except for rare exceptions which are duly justified), until the date of this report, 7 (seven) Control, Risks and Sustainability Committee meetings in 2024 and 1 (one) meeting in 2025, 5 (cinque) meetings of the Nomination and Remuneration Committee in 2024 and 1 (one) in 2024, 2 (two) Related Parties Committee meetings in 2024 and 2 (two) meetings in 2025 and held 8 (eight) of its own meetings in 2024, in addition to two in 2025 by the date of this report, during which exchanges of information with the independent audit firm and statutory auditor of subsidiaries of Piovan S.p.A.also took place to ensure that no transactions occurred that were imprudent, risky, with a potential conflict of interest, in breach of the law or the By-Laws or shareholders' meeting resolutions or such as to compromise the integrity of the Company's assets.

8. Observations on compliance with the principles of correct administration

Following its supervisory activities, the Board of Statutory Auditors has no observations to make concerning compliance with the principles of correct administration and has confirmed that the directors are aware of the risk involved and the effects of transactions made.

9. Observations on the appropriateness of the organizational structure.

The Board of Statutory Auditors has gathered information on the company's organizational structure and changes made to it, including by holding meetings with the relevant company managers. In light of what has been confirmed, the Board of Statutory Auditors, having assessed the improvement actions undertaken by the internal functions, considers that the organizational structure, procedures, competences and responsibilities are substantially suitable for the size of the company and the type of activity performed.

With regard to the structure of the Internal Audit function, given that the 2024 Audit Plan has been carried out and fully completed according to planning, the Company has kept its internal structure unchanged, currently made up of the Manager and a full-time junior resource, while also maintaining the help of external consultants where deemed necessary.

10. Suitability of the Internal Control and Risks Management System.

The Board of Statutory Auditors has monitored the suitability of Piovan S.p.A.'s Internal Control and Risks Management System through:

a. the gathering of information, including during meetings of the Control, Risks & Sustainability Committee, as well as through meetings with the Internal Audit Manager and with the managers of other functions, the activities performed, mapping of risks related to activities in progress, audit plans and the internal control system's implementation projects, with the acquisition of associated documentation;

b. regular participation in the work of the Control, Risks & Sustainability Committee set up in accordance with the Corporate Governance Code for listed companies;

c. the review of the Report of the Control, Risks and Sustainability Committee, approved by the Board of Directors on March 20, 2025;

d. the review of the structure of operational controls;

e. the review of the Internal Audit Manager's annual report together with the Internal Audit Manager's positive assessment of the suitability of the company's internal control and risk management system with respect to the company's characteristics and risk profile assumed.

During their periodic meetings and exchanges of information, the Internal Audit Manager did not report any particular critical issues within her area of responsibility.

The Board of Statutory Auditors, agreed with the opinion expressed by the Board of Directors and with the assessment of the Control, Risks and Sustainability Committee, noting that the internal control and risk management system, remains substantially adequate, in respect to the characteristics of the Company and the risk profile assumed, acknowledging the ongoing process of strengthening the controls put in place in order to adequately deal with the constant evolution of the Company's size.

The Board of Statutory Auditors also:

- confirmed that the Company has an Organization, Management and Control Model that is compliant with the principles contained in Legislative Decree 231/01 and the guidelines drawn up by Trade Associations;
- reviewed the informations provided by the Supervisory Board, presented during the meetings of the Board of Directors held on August 7, 2024 and March 20, 2025, from which it appears that no reprehensible facts or violations of the Model have emerged;
- It should be noted that, with the approval of the Board of Directors on March 6, 2024, the Company has adapted the "whistleblowing" procedure to the provisions of Legislative Decree 24/2023.

11. Suitability of the administrative and accounting system and its reliability.

The Board of Statutory Auditors, for all aspects falling within its competence, supervised the administrative and accounting system's suitability and its reliability in correctly representing accounting data and activities performed under the coordination of the Executive Officer for Financial Reporting, for the purposes of the requirements referred to in Law 262/05 "Provisions for the protection of savings and the regulation of financial markets" and subsequent amendments and additions through:

a) the acquisition of information from the Executive Officer for Financial Reporting, including during participation in the work of the Control, Risks & Sustainability Committee;

b) the acquisition of information on procedures adopted for the preparation of the Group's Annual Integrated Report as at 31.12.2024;

c) the meetings with the Independent Audit Firm and the results of the work it performed.

The Board of Statutory Auditors also acknowledged that the Impairment test procedure applied by the Company in the preparation of the financial statements closed on 31 December 2024 is the one approved by the Board of Directors on 26 January 2023. The Board monitored the outcome of the Impairment tests carried out by management which did not identify indicators of impairment or problems of recoverability of the values on any of the assets subjected to the test (for details of which please refer to the explanatory notes to the financial statements). Impairment test have been prepared using the business plan of each CGU (related to period 2025-2028) approved by the Board of Directors on March 20, 2025.

While performing the above activities, the Board of Statutory Auditors did not find any critical situations or facts suggesting that Piovan S.p.A.'s administrative and accounting system for the year 2024 was inadequate and/or unreliable.

Also with reference to the collection, management and reliability of non-financial information, the Board expresses an assessment of the adequacy of the process, consistent with the Group's strategic objectives in the social and environmental field. For further details on the aforementioned process, please refer to the specific paragraph dedicated to Corporate Sustainability Reporting.

12. Suitability of instructions imparted to subsidiaries.

The Board of Statutory Auditors considers the instructions imparted by the Company to its subsidiaries pursuant to Article 114, paragraph 2 of the CFA suitable to fulfil the communication requirements envisaged by law.

13. Any relevant aspects relating to meetings with the Auditors.

The Board of Directors met the independent audit firm to:

a) exchange information on the audits performed by the latter, pursuant to Legislative Decree 39/2010 and Article 150, paragraph 3 of the CFA, on the company's accounting records and on the correct recording of accounting data in the accounting records. No critical issues or anomalies emerged from these meetings;

b) for the review and assessment of the compilation process, including the evaluation of the correct application of accounting principles and their homogeneity, and the Piovan Group's Annual Integrated Report as at 31.12.2024, together with the results of the audit activities and evaluation of these documents.

In addition to what is reported in paragraph 3, the Board of Statutory Auditors also:

a) received the independent audit firm's additional report, pursuant to Article 11, paragraph 2 of EU Regulation No. 537/2014, also highlighting the fundamental issues that emerged during the audit and no significant deficiencies have been detected in the internal control system on the financial and non financial reporting process;

b) Take note what was reported by the independent audit firm in its audit report on the Consolidated Financial Statements regarding the indentification of so-called "Key Audit Matters".

c) Take note that the audit report on the Separate Financial Statements issued by the independent audit firm does not include any "Key Audit Matters".

d) discussed with the independent audit firm, pursuant to the provisions of Article 6, paragraph 2(b) of EU Regulation No. 537/2014, the risks associated with the firm's independence and the measures adopted by it to limit these risks.

14. Compliance the Corporate Governance Code (formerly the Self-Governance Code) approved by the Committee for the Corporate Governance of listed companies.

The Board of Statutory Auditors has verified that the Company has complied with the Corporate Governance Code, in the version currently in force; in particular, by the minutes of the Board of Directors meeting held on March 20, 2025, Company's Management has acknowledged the Recommendations 2024, included in the letter of the Italian Corporate Governance Committee of December 17, 2024 as a specific point of the Agenda.

Pursuant to Article 149, paragraph 1(c-bis) of the CFA, it therefore monitored the practical implementation methods of the corporate governance rules envisaged by the Code, with particular regard to:

- the correct application of criteria and assessment procedures adopted by the Board of Directors to assess the independence of its members, also in consideration of the qualitative and quantitative criteria for assessing the significance of the relevant circumstances (as identified by the board of directors on March 21, 2023 and January 25, 2024);
- the procedures with which the Internal Committees to the Board of Directors are composed, in particular with reference to directors' independence requirements.
- the Company's corporate governance structure.
- on March 3, 2023, it carried out, with a positive outcome, the annual verification for 2023, of compliance with the independence criteria with reference to each of its members, taking in the respects of quantitative and qualitative criteria for assessing the significance of the relevant circumstances pursuant to the Corporate Governance Code. On the same date, the Board of Statutory Auditors carried out the self-assessment process to verify the eligibility of its members, as required by the Corporate Governance Code. In carrying out these assessments, the Board of Statutory Auditors applied all the criteria envisaged by the Code. The outcome of these checks is presented in the Corporate Governance and Ownership Structure Annual Report drawn up for the year 2025.
- the Board of Statutory Auditors does not report any changes regarding the aforementioned assessments, following the update of March 14, 2025.

15. Corporate Sustainability Reporting

Piovan S.p.A., as a public interest entity (PIE) with employee limits, balance sheet and net revenues exceeding the established thresholds, is required to publish consolidated sustainability reporting in line with the provisions of Legislative Decree 125/24. This regulation requires a dual relevance approach, considering both the company's impacts on society and the environment (inside-out perspective) and how sustainability factors influence the company itself (outside-in perspective). In this case, the Board of Statutory Auditors plays a central role in monitoring the adequacy and effective functioning of the internal control and risk management system, with particular reference to sustainability issues and the new provisions introduced by the Corporate Sustainability Reporting Directive (CSRD).

The Board of Statutory Auditors has therefore monitored compliance with the provisions established in Legislative Decree 125/2024, within the scope of the powers attributed to it by the law; in this regard, the following is represented.

The Board of Statutory Auditors verified that Piovan S.p.A. has implemented procedures and processes suitable for ensuring the reliability and transparency of non-financial information; to this end, the Board interacted with the corporate structures responsible for monitoring ESG issues, the Control, Risk and Sustainability Committee and the Internal Audit function.

In particular, the entire Board of Statutory Auditors actively participated in all meetings of the Control, Risk and Sustainability Committee, which deals – as far as relevant here – with:

- perform support functions to the Board of Directors in matters of sustainability;
- examine the contents of periodic non-financial information;
- examine and evaluate the sustainability policies aimed at ensuring the creation of value over time for the generality of shareholders and for all other stakeholders in a medium-long term horizon in compliance with the principles of sustainable development as well as the guidelines, objectives and consequent processes of sustainability and the sustainability reporting submitted annually to the Board of Directors, including, in particular, the Sustainability Reporting.

The Board of Statutory Auditors, also attended to a training session organized Piovan Group Academy,

Furthermore, the Board of Statutory Auditors monitored the integration of ESG factors into Piovan's business models and risk management systems, promoting constant alignment with national and international best practices and monitored the adequacy of the organizational structure to achieve ESG objectives.

Particular attention was paid to the analysis of the so-called "double materiality" required by the CSRD, i.e. the assessment of Piovan's impacts on the environment and society, as well as the risks and opportunities that sustainability issues can generate on the business. Furthermore, as part of the analysis of double materiality, the supervisory body was informed of the opinions and interests of stakeholders regarding the company's impacts related to sustainability. The Board of Statutory Auditors actively participated in the processes of verification and assurance of sustainability information, also in collaboration with the entity responsible for the legal audit of accounts, also responsible for drafting the report certifying the conformity of the consolidated sustainability reporting. This activity included the evaluation of data reliability, the analysis of the methodologies adopted for measuring ESG impacts and the consistency of the reported information with respect to international sustainability standards. Finally, the Board of Statutory Auditors has promoted a constant dialogue with the governance bodies to foster a proactive and integrated approach to sustainability, helping to strengthen the transparency and credibility of corporate reporting on ESG matters.

On March 28, 2025, Deloitte & Touche S.p.A. issued a specific report expressing a positive opinion on the conformity of the Consolidated Sustainability Reporting of the Piovan Group, relating to the financial year ended December 31, 2024, with the reporting principles adopted by the ESRS, as well as compliance with the disclosure obligations set forth in art. 8 of the Taxonomy Regulation.

The Board of Statutory Auditors has not become aware of any violations of the relevant regulatory provisions and therefore expresses an assessment of the adequacy of the process for preparing the Sustainability Reporting and believes that there are no observations to be submitted to the Shareholders' Meeting.

Conclusions on the supervisory activities carried out and proposal to the Shareholders' Meeting

Having regard to the above and having:

- verified compliance with law and the By-Laws, compliance with the principles of correct administration and in particular on the adequacy of the organization, administration and accounting structure adopted by the Company and on its correct functioning;
- monitored compliance with disclosure obligations on Inside Information;

- monitored compliance with legal provisions concerning the formation and preparation of the company's Annual Financial Statements and the Group's Consolidated Financial Statements and the Directors' Report for the financial year 2024, including by means of direct audits and information gathered by the independent audit firm, and ascertaining compliance with legal provisions of the Directors' Report for the year 2024;
- monitored that, in compliance with Regulation (EC) No. 1606/2002 and Legislative Decree No. 38/2005, Piovan S.p.A.'s financial statements at December 31, 2024, and the Group consolidated financial statement were drawn up in accordance with IAS/IFRS international accounting standards approved by the European Commission and supplemented by the related interpretations issued by the International Accounting Standard Board (IASB);
- monitored compliance with the procedure for the preparation and presentation of the Annual Financial Statements and Consolidated Financial Statements to the Shareholders' Meeting;
- monitored the compliance with rules related to the preparation of the separate financial statements and consolidated financial statement in XHTML format, and consolidated financial statements marked, in in all significant aspects in accordance with ESEF Delegated Regulation.
- monitored compliance with the provisions established by Legislative Decree 125/2024 and Consob Regulation No. 20267/2018, regarding the Corporate Sustainability Reporting of Piovan S.p.A. and its subsidiaries, included in the Annual Integrated Reporting.

In consideration of the above, the Board of Statutory Auditors requests you to approve the separate financial statements at December 31, 2024, as presented by the Board of Directors, together with the Directors' Report and the allocation proposal for the year's result to extraordinary reserve.

Santa Maria di Sala (VE), March 28, 2025

The Board of Statutory Auditors

Ms. Carmen Pezzuto – Chairman

Mr. Luca Bassan – Statutory Auditor

Ms. Diletta Stendardi – Statutory Auditor