



PERIODIC
FINANCIAL
STATEMENTS

at September 30, 2024

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

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

Tax No.: 02307730289 VAT No.: 02700490275

Venice Economic & Administrative Registration No. 235320

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
Maurizio Bazzo	Independent Director
Marco Maria Fumagalli (*) (**)	Independent Director
Manuela Grattoni (*)	Independent Director
Mario Cesari (*)	Independent Director
Antonella Lillo (*)	Independent Director

(*) Independent Director pursuant to Article 147-ter, 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 since April 29, 2024 until the Shareholders’ AGM for the approval of the 2026 Annual Accounts.

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.

We note that on July 31, 2024, all members of the Board of Directors in office submitted their formal resignations. The effectiveness of these resignations will be subject to and take effect 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.) becomes effective. For further details, see the “Subsequent events after September 30, 2024” section.

Board of Statutory Auditors

In office until April 29, 2024, date of 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	Alternate Auditor
Federica De Pieri	Alternate Auditor

Control, Risks and Sustainability Committee

In office until April 29, 2024, date of the Shareholders' AGM for the approval of the 2023 Annual Accounts.

Name	
Antonella Lillo	Chairman
Marco Maria Fumagalli	
Mario Cesari	

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

Name	
Marco Maria Fumagalli	Chairman
Mario Cesari	
Manuela Grattoni	

Nomination and Remuneration Committee

In office until April 29, 2024, date of the Shareholders' AGM for the approval of the 2023 Annual Accounts.

Name	
Manuela Grattoni	Chairman
Marco Maria Fumagalli	
Antonella Lillo	

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

Name	
Manuela Grattoni	Chairman
Alessandra Bianchi	
Antonella Lillo	

Related Parties Committee

In office until April 29, 2024, date of the Shareholders' AGM for the approval of the 2023 Annual Accounts.

Name	
Marco Maria Fumagalli	Chairman
Manuela Grattoni	
Mario Cesari	

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

Name	
Antonella Lillo	Chairman
Marco Maria Fumagalli	
Mario Cesari	

Supervisory Board (Organismo di Vigilanza)

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

Name	
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	

Corporate Financial Reporting Officer

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 shareholders

Based on the shareholders' register, through communications received in accordance with Article 120 of Legislative Decree No. 58/98 and other information available to the company, the shareholders of Piovan S.p.A. with holdings in the voting share capital of greater than 5% at the approval date of the Interim Report at September 30, 2024 were:

Declarant	Direct shareholder	% of ordinary share capital (*)	% of voting share capital (**)	% of ordinary share capital (***)	% of voting share capital (****)
Nicola Piovan	Pentafin S.p.A.	58.350	68.962	61.174	71.419

(*) Total No. ordinary shares: 53,600,000, including Piovan S.p.A. treasury shares equal to 2,474,475.

(**) 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: 51,125,525, 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.

PIOVAN GROUP

The 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 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.

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 is increasingly specialized in the design and production of automation systems for the storage, transport and treatment of polymers and plastic powders, 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 polymers and plastic powders, laying the foundations for future worldwide leadership. During the same period, the Company also launched its first line of refrigerators and introduced the market's first centralized system for granule feeding, dosing and dehumidification.

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

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

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

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

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

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

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

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

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., owner of 100% of IPEG Inc. (renamed PGNA Inc.) – an industry leader in North America – thereby further strengthening its global leadership in this industry.

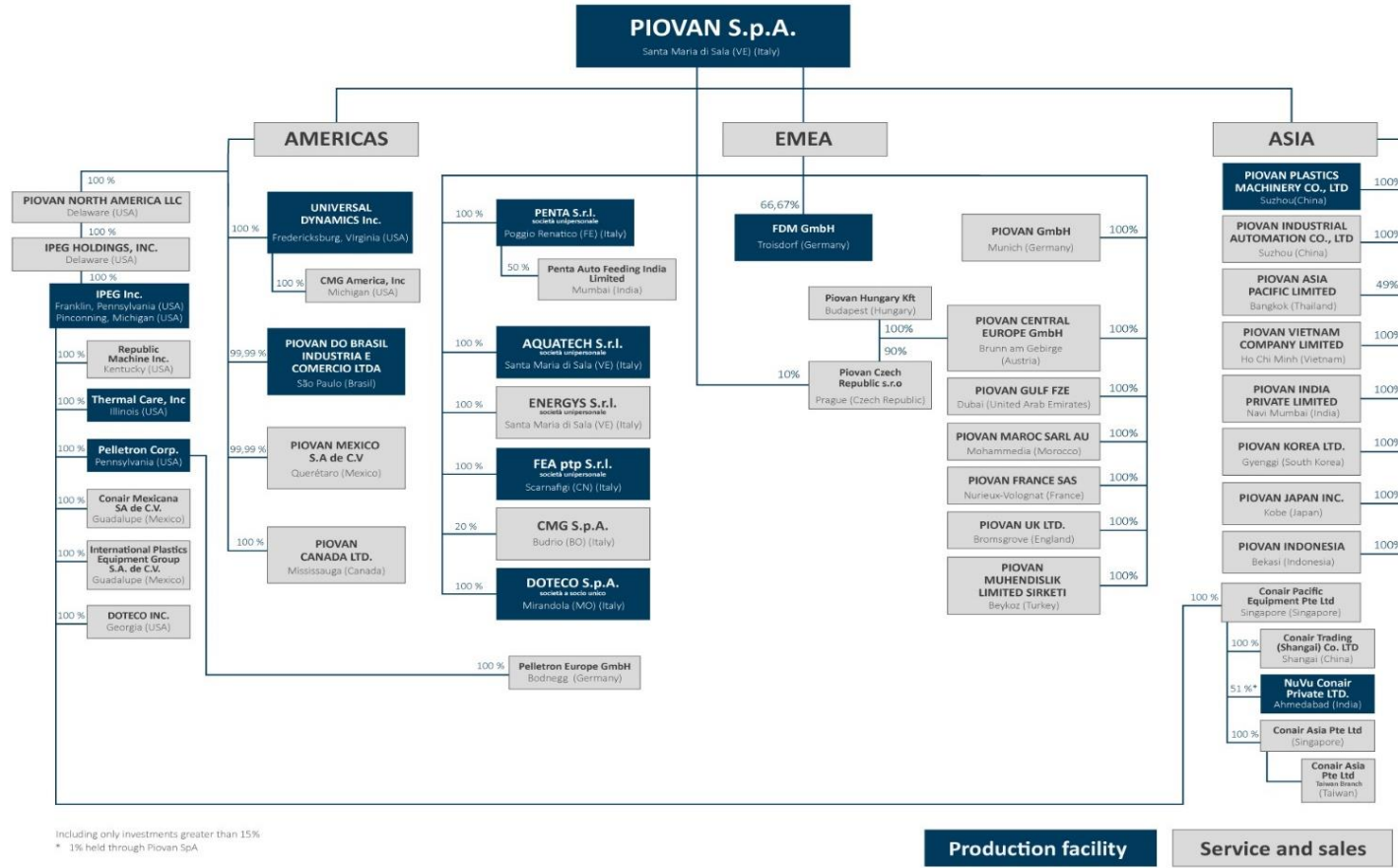
In February 2024, Piovan S.p.A. acquired 1% of the share capital of Nu-Vu - an Indian company of which Piovan already indirectly holds 50% through the subsidiary Conair Pacific Equipment PTE Ltd - from the selling shareholders of Nu-Vu. As a result of this transaction, Piovan Group will collectively hold a 51% stake in Nu-Vu, 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 September 30, 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 Piovan Group's 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. ("FEA").

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.

Piovan Group structure at September 30, 2024



Including only investments greater than 15%
* 1% held through Piovan SpA

GROUP OVERVIEW

General economic overview

Early 2024 saw a moderate improvement in the global economy, mainly thanks to the better-than-expected resilience of the major global markets. Inflation continued to decline (although slowly) as a result of the more restrictive monetary policies adopted by the main central banks and the reduction in energy commodity prices from last year's peaks.

The International Monetary Fund's (IMF) latest update on global growth forecasts no substantial changes from the previous projections outlined in the October 2024 World Economic Outlook (WEO). Global growth expectations remain at 3.2% for 2024 and 3.3% for 2025. The underlying dynamics of these expectations, however, varied across the regions.

Growth estimates for the advanced economies have been revised downward, to 2.5% in 2024 (0.1% lower than forecast in April 2024) and to 1.8% in 2025. Moderate growth of 0.8% is forecast for the Eurozone in 2024, driven by strong services and exports in the first half of the year, with a 1.4% expansion forecast for 2025. This trend is supported by real wage increases and greater investment resulting from the easing of financial conditions, as monetary policy is gradually loosened. The manufacturing sector, however, is still weak, which will likely slow down the recovery especially in countries such as Germany.

In the emerging markets and developing countries, growth forecasts have been revised upward, driven by the strength in China and India. Growth in China is forecast at 5% for 2024, due to the recovery of private consumption and exports. A slowdown to 4.5% is forecast in 2025, while reducing over the short-term to reach 3.3% in 2029, as a result of slowing productivity growth. Growth forecasts for India have also been revised upward, hitting 7% in 2024.

Nominal wage growth remains strong - above inflation in some countries - reflecting the pay negotiations that concluded in early 2024. Regarding interest rates, many central banks in emerging markets remain cautious, being chiefly aware of the potential weakening of their currencies against the dollar.

Against this macroeconomic backdrop, countries will need to persevere in restoring price stability and deal with the consequences of the recent crisis by recovering the lost ground. In the short term, this will require a careful combination of measures. In countries where the risk of inflation is high, central banks should refrain from easing too abruptly and remain open to further tightening if necessary. On the other hand, in those countries in which inflation appears to have stabilized, the easing of monetary policy should proceed cautiously and gradually.

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

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 first nine months of 2024

New facility in China

During January 2024, the Chinese subsidiary Piovan Plastic Machinery 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 now, and pending the completion of the construction of the new plant, located in No. 369 Tayuan Road, Suzhou National High-tech Industrial Development Zone. Once the construction of the new plant is completed, currently scheduled for the end of 2024, Piovan Plastic Machinery will move its operations to the permanent site. This move has caused delays in some shipments and thus of billing, which were initially expected by the end of Q3 2024, but will now be postponed to Q4 2024 or to the beginning 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, Energys will operate as Piovan, Progema will merge 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 controlling stake in Nu-Vu Conair Private Ltd.

On February 6, 2024, Piovan S.p.A. and Nu-Vu Conair Private Ltd. (hereafter "NuVu") announced the signing of an agreement which stipulated the purchase by Piovan S.p.A. of 1% of the share capital of Nu-Vu, an Indian company of which Piovan already indirectly holds 50% through the subsidiary Conair Pacific Equipment PTE Ltd, from the selling shareholders of Nu-Vu. The acquisition was completed on February 14, 2024, following the satisfaction of all the conditions

set out under the agreement. Piovan Group currently holds a controlling interest in NuVu of 51%.

Nu-Vu Conair Pvt. Ltd. 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. Based on the results for 2023, Nu-Vu reported revenue of approximately Euro 20.0 million, with adjusted EBITDA of approximately Euro 3.6 million.

Based on the pro-forma aggregate results¹ for 2023, the combined Piovan Group, including NuVu, generated revenue of over Euro 590.5 million, with EBITDA of approximately Euro 82.0 million. The Transaction was funded through available cash.

Piovan S.p.A. - Tax Audit

As part of the ordinary control planned activities to which large taxpayers are normally subject, 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 the issuance of a tax audit report (so called *Processo Verbale 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 the 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 from the Company to access the pre-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

¹ Aggregate data not subject to audit or limited review

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, in its PVC) and indeed are positioned around the average of market values.

In March 2024, due to the approaching expiring of the assessment deadlines, Piovan S.p.A. has received 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, initially set for October 25, 2024, has been postponed to December 20, 2024 at the request of the provincial office of the *Agenzia delle Entrate* (“Tax Authority”), to which the Company did not oppose.

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 order of the aforementioned application for interim suspension, continued to collaborate actively in the interlocution with the *Agenzia delle Entrate* (“Tax Authority”) in order to do not preclude a possible settlement covering the entire period considered.

In this regard, following in-depth analysis and internal audits, which took place with the support of the appointed experts, it was decided to proceed with the preparation of an estimate of the potential liability related to this dispute, which hypothesizes, among other assumptions, that the findings, for all the years considered, contained in the PVC be redetermined in *transfer pricing* disputes. On the basis of these analyses, the company made an accrual to risk provision as at September 30, 2024.

Condensio: finalist at plastic recycling awards Europe

In the first quarter of 2024, the Group continued pursuing our strategy of growth through products and solutions dedicated to recycling and the circular economy. In this regard, it should be noted that Condensio, 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. Condensio 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 the 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, the 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 utilized cash available for 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 called 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, whose names are 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

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

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 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” provides that the Buyer purchases from Pentafin n. 31,275,541 ordinary shares of Piovan (the “Sale and Purchase Agreement”), therefore the overall consideration for the Sale and Purchase is equal to approximately €438 million, which will be paid by the Buyer to Pentafin in a single payment 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, of the authorizations required by the relevant anti-trust authorities and the authorizations regarding control over foreign investments (“golden power”).

Also on 19 July 2024, Automation Systems Collective S.C.A., held by Fund VIII, and Pentafin signed an investment agreement which regulates, inter alia, the re-investment commitments at Closing by Pentafin in the holding which, offers, stops 100% of the Buyer (the “Investment Agreement”). Pursuant to the Investment Agreement, it is envisaged that, upon Closing: (i) Pentafin will become the owner of an indirect stake in the Purchaser representing 25% of the share capital; and (ii) the parties sign a shareholders' agreement (the “Shareholders' Agreement”) aimed at regulating, according to market practice, the corporate governance of Piovan and the transfer of the related shareholdings.

In particular, the Shareholders' Agreement provides, among other terms and conditions, that, after the Closing, Nicola Piovan will continue to hold the role of Executive Chairman of the Board of Directors and that Filippo Zuppichin will be reconfirmed as CEO of the Company. An extract of the Shareholders' Agreement was published on the Company's website, as well as in the competent press outlets in the manner required by law.

Following the Closing, pursuant to Article 106 of the CFA, the Purchaser must promote a full public tender offer for the remaining Piovan shares at a price of Euro 14.00 per share (i.e., equal to the Sale and Purchase price), in order to delist Piovan’s shares from the Euronext Star Milan. 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.

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.

Resignation of members of the Board of Directors, with effectiveness subject to the completion of the purchase and sale transaction between Automation Systems S.p.A. and Pentafin S.p.A. of the controlling interest in Piovan S.p.A.

On 31 July 2024, following the information provided to the market on 19 July 2024 regarding the operation described in the paragraph " Sale of the controlling interest holding in Piovan S.p.A. by Pentafin S.p.A.", 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 communicated their resignation, with effect from the execution of the purchase and sale operation described in the paragraph cited above. The resignations that occurred are functional to allow the appointment of a new administrative body that can reflect the future control structures of the Company. As communicated to the market on 19 July 2024 and 31 July 2024, following the execution of the transaction, Nicola Piovan and Filippo Zuppichin are expected to continue to hold the roles of Executive Chairman and Chief Executive Officer of the Company respectively.

The Board of Directors held today therefore gave a mandate to the Executive President to convene the Shareholders' Meeting at the times deemed appropriate. The notice convening the Assembly and the related documentation will be published within the terms and according to the methods established by current legislation.

Group performance overview

Provided below are a number of metrics used in order to assess the Group's financial performance and standing. These metrics have been calculated as described in the 2023 Annual Report in the section "Alternative performance measures", with the exception of that outlined in the "Other information" section.

It should be noted that the statement of profit and loss for the first nine months of 2024 includes the results of Nu-Vu Conair Pvt. Ltd. from February 1, 2024, the date on which the acquisition of the control in NuVu was complete. In 2023, NuVu was considered a joint-venture and valued by the equity method. Therefore, 50% of the of the associate's first nine months of the 2023 result was included as a specific line item in the statement of profit and loss.

Economic performance of the Group

€/000	Economic performance indicators					
	First nine months 2024 (*)	% on total revenues and other income	First nine months 2023	% on total revenues and other income	2024 vs 2023	%
Revenue	412,412	98.2%	420,170	98.3%	(7,758)	(1.8%)
Other revenue and income	7,501	1.8%	7,171	1.7%	330	4.6%
TOTAL REVENUE AND OTHER INCOME	419,912	100.0%	427,341	100.0%	(7,428)	(1.7%)
Adjusted EBITDA	55,709	13.3%	55,696	13.0%	13	0.0%
EBITDA	54,415	13.0%	55,424	13.0%	(1,009)	(1.8%)
OPERATING PROFIT	43,174	10.3%	45,276	10.6%	(2,102)	(4.6%)
PROFIT BEFORE TAXES	49,781	11.9%	46,520	10.9%	3,262	7.0%
Income taxes	14,897	3.5%	14,043	3.3%	854	6.1%
Adjusted NET PROFIT	32,711	7.8%	31,412	7.4%	1,299	4.1%
NET PROFIT	34,885	8.3%	32,477	7.6%	2,408	7.4%
Attributable to:						
Owners of the parent	33,651	8.0%	33,155	7.8%		
Non-controlling interests	1,234	0.3%	(678)	(0.2%)		
Basic earnings per share	0.66		0.65			
Diluted earnings per share	0.65		0.65			
Basic earnings per share - Adjusted	0.62		0.63			
Diluted earnings per share - Adjusted	0.61		0.62			

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

Revenues

In the first nine months of 2024, Piovan Group Revenue amounted to Euro 412,412 thousand, slightly reducing on Euro 420,170 thousand for the first nine months of 2023 (-1.8%).

Recognizing the effect of the acquisition of NuVu retroactively to January 1, 2024, revenue for the first nine months of 2024 would have amounted to Euro 413,690 thousand, decreasing 1.5% on 2023.

At constant perimeter, excluding the revenue of NuVu, consolidated from February 1, 2024, 9M 2024 Revenue would have amounted to Euro 399,597 thousand, decreasing 4.9% on 9M 2023.

Revenue calculated at constant exchange rate (i.e. at the average exchange rate for the first nine months of 2023) would have increased by Euro 2,157 thousand at Euro 414,569 thousand and decreased 1.3% compared to the first nine months of 2023.

The exchange effect on revenue was mainly due to the fluctuations of the US dollar against the Euro, in addition to the movements of the Chinese Renminbi, the Brazilian Real and the Turkish Lira.

Revenue by market and geographical area

The breakdown of revenue by market is as follows:

€/000	First nine months 2024 ^(*)	%	First nine months 2023	%	Change	Change %
Technical Polymers	309,140	75.0%	322,146	76.7%	(13,006)	(4.0%)
Food & Industrial Applications	36,120	8.8%	32,394	7.7%	3,726	11.5%
Services	67,152	16.2%	65,630	15.6%	1,522	2.3%
Revenue	412,412	100.0%	420,170	100.0%	(7,758)	(1.8%)

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

Revenues by market in the first nine months of 2024 indicate:

- Technical Polymers systems revenue decreased by approximately 4%. The trend is an improvement on Q1 2024 and also on H1 2024. In fact, in Q2 and Q3 the Group recovered approximately 4% of revenues in this market. This reduction on 9M 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 11.5% increase on 9M 2023, reflecting the acceleration of development and production on a number of major projects. In particular, thanks to the intake of major project orders and the expansion of the customer base, the Food sector presents a high backlog, which is expected to translate into further improvements in the final quarter of the year.
- the Services division reports a revenue increase of 2.3% on the same period of the previous year, maintaining the strong performances of 2023 and reflecting the benefits of the Group strategy focused on growing this segment.

The breakdown of revenue by geographical area is as follows:

€/000	First nine months 2024 (*)	%	First nine months 2023	%	Change	Change %
EMEA	141,428	34.2%	136,483	32.5%	4,945	3.6%
ASIA	47,644	11.6%	41,480	9.9%	6,164	14.9%
NORTH AMERICA	210,246	51.0%	226,682	54.0%	(16,436)	(7.3%)
SOUTH AMERICA	13,094	3.2%	15,525	3.7%	(2,431)	(15.7%)
Revenue	412,412	100.0%	420,170	100.0%	(7,758)	(1.8%)

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

The EMEA area reports a 3.6% improvement on the first nine months of 2023, thanks to the winning of additional market share by the Group.

North America revenue, on the other hand, contracted 7.3% on the first nine months of 2023, reflecting the decline in orders from the second half of 2023 and despite the contribution of the Food projects which are being developed in the area.

The Asian market, up 14.9% on the same period of the previous year, 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 in China, 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 15.7%, reflecting the general drop in demand.

Other revenues and income

Other revenues and income increased on 9M 2023 by approximately Euro 330 thousand.

Total revenues and other income

In the first nine months of 2024, Piovan Group Total revenue and other income amounted to Euro 419,912 thousand, slightly decreasing on Euro 427,341 thousand in 9M 2023 (-1.7%).

Recognizing the effect of the acquisition of NuVu retroactively to January 1, 2024, Total revenue and other income for 9M 2024 would amount to Euro 421,212 thousand, decreasing on 9M 2023 by 1.4%.

At constant perimeter, excluding the Total revenue and other income of NuVu, consolidated from February 1, 2024, Total revenue and other income for 9M 2024 would amount to Euro 406,782 thousand, contracting 4.8% on the same period of the previous year.

Contribution margin

The contribution margin is calculated as the sum of: (+) Total revenue and income (-) Raw material purchases, components, goods and inventory changes and less variable production costs (external processing, transport costs, intermediation and commissions, as illustrated in Note [29] Service Costs).

€/000	First nine months 2024 ^(*)	First nine months 2023
Total revenues and other income	419,912	427,341
Costs of raw materials, components and goods and changes in inventories	180,100	191,624
Variable services expenses	46,093	49,964
Contribution margin	193,720	185,753
% on total revenues and other income	46.1%	43.5%

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

The contribution margin in the first nine months of 2024 was Euro 193,720 thousand, compared to Euro 185,753 thousand in the first nine months of 2023. The margin on total revenue and other income was 46.1% (43.5% in 9M 2023 and 44.5% for the full year 2023).

Recognizing the effect of the acquisition of NuVu retroactively to January 1, 2024, for 2024 the Piovan Group contribution margin would total Euro 194,189 thousand (+4.5% on the previous year).

At constant perimeter, excluding therefore the contribution of NuVu, this indicator totaled Euro 188,805 thousand (46.4% of total revenue and other income).

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.

EBITDA

EBITDA in the first nine months of 2024 totaled Euro 54,415 thousand, decreasing 1.8% on Euro 55,424 thousand in 9M 2023, with a margin on Total Revenue and other income of approximately 13.0% (13.0% 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 €10.70 per share in December 2023 to €13.75 per share in September 2024, also as a result of the announcement of the sale of the controlling interest in Piovan S.p.A. by Pentafin S.p.A.. The Company estimates the effect of this increase on personnel costs recorded in the first nine months of 2024 to be approximately € 1.2 million.

Recognizing the effect of the acquisition of NuVu retroactively to January 1, 2024, for 2024 Piovan Group EBITDA would total Euro 54,577 thousand (-1.5% on the previous year).

At constant perimeter, excluding therefore the contribution of NuVu, consolidated from February 1, 2024, the item for 9M 2024 totaled Euro 52,143 thousand, reducing by approximately 5.9% on 9M 2023. The EBITDA margin at a constant perimeter was 12.8%.

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

Adjusted EBITDA

This figure is calculated by excluding certain non-recurring items or non-core activities.

Adjusted EBITDA in the first nine months of 2024 was Euro 55,709 thousand, with a margin on revenue and other income of 13.3% and substantially in line with the Adj. EBITDA for the first nine months of 2023.

Recognizing the effect of the acquisition of NuVu retroactively to January 1, 2024, Adjusted EBITDA in the first nine months of 2024 would amount to Euro 55,871 thousand, increasing on 9M 2023 by 0.3%.

Adjusted EBITDA in 2024 however, excluding the contribution of NuVu, at a constant perimeter comparison, comes to Euro 53,437 thousand, for a margin on total revenue of 13.1%, up on the Adj. EBITDA in the first nine months of 2023.

The table below reconciles EBITDA and Adj. EBITDA, highlighting non-recurring charges in the period of Euro 1,294 thousand related mainly to the M&A and integration projects, the transfer to the Chinese facility and the costs related to the tax dispute:

€/000	First nine months 2024 (*)	First nine months 2023
EBITDA	54,415	55,424
Non-recurring costs related to acquisitions, reorganizations, and integration processes	1,294	272
Adj. EBITDA	55,709	55,696

EBIT

EBIT for the first nine months of 2024 totaled Euro 43,174 thousand, decreasing on Euro 45,276 thousand for the first nine months of 2023. The EBIT margin on total revenue and other income came to 10.3%, compared to 10.6% for the comparative period.

The EBIT result reflects the effects of the allocation of the price paid (purchase price allocation or “PPA”) of IPEG and the PPA of NuVu, which led to the recognition of amortization of intangible assets of Euro 3,823 thousand in the first nine months of 2024 (Euro 2,935 thousand in 9M 2023, which included the IPEG PPA only).

Excluding the effects of the PPA as described above, EBIT would have been Euro 46,997 thousand, for a margin on total revenues and other income of 11.2% (Euro 48,212 thousand in 9M 2023 for a margin of 11.3% on total revenue and other income).

Recognizing the effect of the acquisition of NuVu retroactively to January 1, 2024, Adjusted EBIT in 9M 2024 would have been Euro 43,336 thousand, reducing 4.3% on 9M 2023.

Excluding the contribution therefore of NuVu, consolidated from February 1, 2024, EBIT in 9M 2024 amounted to Euro 41,911 thousand, slightly decreasing 7.4% on the previous year.

As described above, EBIT reflects certain non-recurring costs related to acquisitions, reorganizations and integration processes incurred in the period.

Profit for the period

The net profit for the first nine months of 2024 was Euro 34,885 thousand, increasing on Euro 32,477 thousand in the first nine months of 2023. The margin on total revenue and other income was 8.3% (7.6% in the first nine months of 2023).

The net profit in the first nine months of 2023 benefited from the gain on the sale of Toba PNC. In the first nine months of 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 of the IPEG PPA and the PPA of NuVu, amounting to Euro 3,823 thousand (Euro 2,935 thousand in the first nine months of 2023, which only included IPEG), the relative tax effect of Euro 814 thousand (Euro 656 thousand in the first nine months of 2023), the net profit for the period would amount to Euro 37,894 thousand (Euro 34,756 thousand in the first nine months of 2023), with a margin on total revenue and other income of 9.0% (8.1% in the first nine months of 2023).

In the February-September 2024 period, NuVu reported a net profit of Euro 1,991 thousand, which reduces to Euro 1,320 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 the first nine months of 2024 totaled Euro 32,711 thousand, for a margin on total revenue and other income of 7.8%. This indicator in the first nine months of 2023 would have amounted to Euro 31,412 thousand, with a margin on total revenue and other income of 7.4%.

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

€/000	First nine months 2024	First nine months 2023
NET PROFIT	34,885	32,477
Non-recurring expenses/incomes included in EBITDA	1,294	272
Income from acquisition of Nuvu control	(6,393)	-
Nuvu consolidation's exchange rate effect	475	-
Income from the sale of Toba	-	(1,337)
Accrual for risks	2,450	-
ADJUSTED NET PROFIT	32,711	31,412

Basic and diluted earnings per share

The basic and diluted earnings per share were respectively Euro 0.66 and Euro 0.65 for the first nine months of 2024 (both Euro 0.65 for the first nine months of 2023).

Adjusted earnings per share and adjusted diluted earnings per share were determined starting from the adjusted earnings, from which non-controlling interests were subtracted, and dividing by the weighted average number of shares in circulation. For the first nine months of 2024, the adjusted and diluted earnings per share were respectively Euro 0.62 and Euro 0.61 (respectively Euro 0.63 and Euro 0.62 for the first nine months of 2023).

Financial performance of the Group

The financial structure of the Piovani Group as at September 30, 2024 is summarized below, compared with December 31, 2023, and where considered significant, with September 30, 2023.

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	30.09.2024	31.12.2023	30.09.2023
A. Cash	68,143	79,285	63,835
B. Cash equivalents	6,341	13,500	12,500
C. Other current financial assets	56	6,556	6,489
D. Liquidity (A+B+C)	74,540	99,341	82,824
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)"	(5,528)	(23,906)	(24,917)
F. Current portion of non-current financial debt	(33,713)	(36,567)	(37,857)
G. Current financial indebtedness (E+F)	(39,241)	(60,473)	(62,774)
H. Net current financial indebtedness (G-D)	35,299	38,868	20,050
I. Non-current financial debt (excluding current portion and debt instruments)	(84,960)	(94,121)	(104,710)
J. Debt instruments	-	-	-
K. Non-current trade and other payables	(827)	(2,500)	(2,619)
L. Non-current financial indebtedness (I+J+K)	(85,787)	(96,621)	(107,329)
M. Total net financial position (H+L)	(50,488)	(57,753)	(87,279)

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;
- the Company has also recognized liabilities for options granted to non-controlling interests in the amount of Euro 26,174 thousand (see Note [20]);
- commitments related to lease agreements that are not recognized as liabilities in accordance with IFRS 16 total approximately Euro 4,227 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 utilized in April 2024 by the parent company.

The Group’s net financial position at September 30, 2024 was a debt position of Euro 50,488 thousand, improving both on September 30, 2023, which reported a debt position of Euro 87,279 thousand, and on December 31, 2023 (a debt position of Euro 57,753 thousand), with

the generation of net cash of Euro 7.265 thousand in the first nine months of 2024, despite dividend payments of approximately Euro 13,804 thousand and investments of approximately Euro 8,906 thousand.

Excluding the effects of IFRS 16, the Group's net financial position at September 30, 2024 was a debt of Euro 33,234 thousand, compared to Euro 40,455 thousand at December 31, 2023, with a net cash generation of Euro 7,221 thousand.

Capital expenditures in the first nine months of 2024 totaled Euro 8,906 thousand (Euro 8,073 thousand in the first nine months of 2023 and Euro 9,721 thousand in 2023).

Financial debt includes medium/long-term loans for Euro 104,445 thousand, of which Euro 33,713 thousand repayable within 12 months and the remaining Euro 70,732 thousand 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 September 30, 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 June 30, 2024, Group performance was amply within the covenants.

Net invested capital

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 at September 30, 2024 amounted to Euro 230,007 thousand, increasing on December 31, 2023 (Euro 211,826 thousand), due to the effect of the NuVu PPA (for further details, reference should be made to the “Acquisition of NuVu” paragraph) and the investments made in H2, offset by depreciation in the period.

€/000	30.09.2024	31.12.2023
Property, plant and equipment	59,933	50,887
Right of Use (IFRS 16 - Lease)	16,660	16,715
Intangible assets	139,396	120,315
Equity investments	1,300	11,426
Other non-current assets	578	570
Deferred tax assets	12,140	11,913
Net non-current assets	230,007	211,826

Investments

Total investments for the period under review came to Euro 8,906 thousand (Euro 8,073 thousand in the first nine months of 2023 and Euro 9,721 thousand in 2023). Non-recurring investments amounted to Euro 6,329 thousand (Euro 5,142 thousand in 9M 2023 and Euro 5,419 thousand in 2023), or 1.5% 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 with completion scheduled by the end of 2024; (iii) the investments in the construction of a new factory in India by NuVu, which is still ongoing.

Net trade capital and net working capital

Net working capital for the period ended September 30, 2024, was as follows:

€/000	30.09.2024	31.12.2023	30.09.2023
Trade receivables	71,421	79,979	89,435
Inventories	86,647	85,341	90,954
Contract assets for work in progress	14,336	8,828	6,752
Trade payables	(58,963)	(71,668)	(64,101)
Advance from customers	(36,830)	(37,445)	(42,397)
Contract liabilities for work in progress	(5,111)	(4,748)	(4,242)
Net trade capital	71,500	60,287	76,401
Tax receivables	7,352	6,267	8,008
Other current assets	14,502	13,163	9,511
Tax liabilities and social security contributions	(9,954)	(11,388)	(9,897)
Other current liabilities	(30,985)	(27,122)	(28,278)
Net working capital	52,415	41,207	55,745

Net working capital increased on December 31, 2023. The increase is attributable for Euro 2,840 thousand to the consolidation of NuVu, while the remaining portion mainly relates to the progress of some significant projects recognized in their current state, and the reduction in trade payables related to the timing of payments.

Medium/long term liabilities

€/000	30.09.2024	31.12.2023
Employee benefits plans	5,641	5,635
Provision for risks and charges	7,808	5,486
Other non-current liabilities	827	2,500
Deferred tax liabilities	15,000	12,822
Net non-current liabilities	29,276	26,443

At September 30, 2024, medium/long-term liabilities increased, mainly due to the increase in deferred tax liabilities following the NuVu PPA allocation, net of the reclassification from non-current to current of payables for employee incentive plans.

Cash conversion

The cash conversion ratio is determined as Adjusted EBITDA less recurring investments to Adjusted EBITDA, all referring to last twelve months. As of September 30, 2024, this ratio was approximately 95.0% (94.2% as of September 30, 2023).

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.

For an analysis on the risks to which the Group is exposed, reference should be made to the Annual Financial Report at December 31, 2023, as there have been no changes in the first nine months of 2024 with regards to that indicated concerning the risks to which the Group is exposed and their management.

Subsequent events after September 30, 2024

Shareholders' AGM of October 1, 2024

On October 1, 2024, following the resignation of all members of the Board of Directors, as described above in the "Significant events in the first nine months of 2024" section, the Company's Shareholders' AGM appointed a new Board of Directors, whose efficacy is subject to the Closing, and who will remain in office until the Shareholders' AGM called 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, selected from the slate presented by the Majority shareholder Pentafin S.p.A. – holder of 58.350% of the share capital of Piovan S.p.A. – and elected with the approval of 98.996% of the votes in attendance 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' AGM also appointed Mr. Nicola Piovan as the Executive Chairman of the Board of Directors.

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' AGM 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 consider such post-Closing.

Following the entry into office of the new Board of Directors, which will take place with the Closing, the new Board of Directors will in fact meet to consider, *inter alia* (i) the appointment of the Chief Executive Officer, (ii) the ascertaining of the absence of causes of ineligibility, disqualification and incompatibility, and the meeting by all Directors of the good-standing requirements set out by the current regulations, as well as the independence requirements in the case of the Directors declaring the meeting of such (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 on behalf of Automation Systems S.p.A. (the “Purchaser”) concerning an update on the issuance of the authorizations necessary to complete the closing of the transaction. In particular, with reference to the authorizations required by the antitrust authorities, these were granted by the competent authorities without any prescription.

With reference to the notification carried out pursuant to Article 2 of Law Decree No. 21 of 2012 (so called “golden power”), the Italian Prime Minister’s Office, with a decree issued on November 8, 2024:

- (i) released the authorization to the acquisition without exercising the special powers, but
- (ii) 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.

Therefore, on the date hereof, the condition precedent related to the Italian rules on golden power has not yet been met. The Offeror will notify, as soon as possible, the package of guarantees and the possible mergers.

The Purchaser also communicates that it has received certain requests for clarification from the competent Austrian authority for the control of foreign investments in respect of Piovan Central Europe GmbH, a company under Austrian law controlled by Piovan S.p.A. that carries out sales activities of Piovan Group products in Austria and Eastern European markets, in order to check if the notification of the transaction shall be carried out or not under Austrian law.

Once the conditions precedent are met and the Closing is completed, the Purchaser will launch the MTO giving disclosure to the market pursuant to law by the dissemination of the notice provided for by Article 102 of the Consolidated Law on Finance.

No further significant events subsequent to September 30, 2024 are highlighted, with the exception of that indicated in the “Significant events in the first nine months of 2024” section with regards to the tax dispute.

⁽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 favor of the lenders.

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 NuVu Conair, thereby coming to hold 51% of the Indian company and acquiring control.

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 rules 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.

We also indicate that the 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 eight months of NuVu, that in the preceding 12 months, approximately 22.7% 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 the first nine months of 2024 is still satisfying and benefited from increased market share and the ever-greater integration with the acquired companies.

In terms of order intake, the beginning of 2024 saw the market uncertainty evident at the end of 2023 continue, while from Q2 2024 a significant recovery in order intake emerged, making it possible to close the gap which had built up. In the third quarter of 2024, this recovery in order intake gained further pace, despite the continued macroeconomic and geopolitical environment which again reflects a general contraction in investment, as still impacted by the ongoing global conflicts and significant levels of inflation (which are however slowly easing).

Orders at September 30, 2024 are up slightly on the same period of the previous year. The order backlog slightly improved against December 31, 2023 and is in any case above the Group's historic averages.

A Piovani 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 2024 in fact intending to boost investment in the highest growth potential areas.

As noted in the "Subsequent events after September 30, 2024" 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 Piovani Group.

Over the past few years, the Piovani Group has effectively consolidated its position as one of the leading global players in developing and producing manufacturing process automation systems. If the closing is achieved, it would begin a new chapter in the story of the Piovani 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.

**CONSOLIDATED FINANCIAL STATEMENTS AND
EXPLANATORY NOTES AT SEPTEMBER 30, 2024**

Consolidated financial statements at September 30, 2024

Consolidated Statement of financial position

(€/000)

ASSETS	Notes	30.09.2024	31.12.2023
NON-CURRENT ASSETS			
Property, plant and equipment	Note 1	59,933	50,887
Right of Use	Note 2	16,660	16,715
Intangible assets	Note 3	139,396	120,315
Equity investments	Note 4	1,300	11,426
Other non-current assets	Note 5	578	570
Deferred tax assets	Note 6	12,140	11,913
TOTAL NON-CURRENT ASSETS		230,007	211,826
CURRENT ASSETS			
Inventories	Note 7	86,647	85,341
Contract assets for work in progress	Note 8	14,336	8,828
Trade receivables	Note 9	71,421	79,979
Current financial assets	Note 10	56	6,556
Tax receivables	Note 11	7,352	6,267
Other current assets	Note 12	14,502	13,163
Cash and cash equivalents	Note 13	74,484	92,785
TOTAL CURRENT ASSETS		268,798	292,919
TOTAL ASSETS		498,805	504,745

LIABILITIES AND EQUITY	Notes	30.09.2024	31.12.2023
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	(4,628)	14
Other Reserves and retained earnings	Note 14	123,789	114,612
Net profit (loss)	Note 14	33,651	49,400
Equity attributable to the owners of the parent		157,000	168,737
Equity attributable to non-controlling interests	Note 15	20,311	2,600
TOTAL EQUITY		177,311	171,337
NON-CURRENT LIABILITIES			
Long-term loans	Note 17	70,732	79,624
Non-current financial liabilities	Note 17	14,228	14,497
Employee benefits plans	Note 18	5,641	5,635
Provision for risks and charges	Note 19	7,808	5,486
Non-current liabilities for options granted to non-controlling interest	Note 20	26,174	-
Other non-current liabilities	Note 21	827	2,500
Deferred tax liabilities	Note 6	15,000	12,822
TOTAL NON-CURRENT LIABILITIES		140,410	120,564
CURRENT LIABILITIES			
Current portion of long-term loans	Note 17	33,713	36,567
Current bank loans and borrowings	Note 17	1,274	666
Current financial liabilities	Note 17	4,254	23,240
Trade payables	Note 22	58,963	71,668
Advance from customers	Note 23	36,830	37,445
Contract liabilities for work in progress	Note 8	5,111	4,748
Current liabilities for options granted to non-controlling interests	Note 20	-	-
Tax liabilities and social security contributions	Note 24	9,954	11,388
Other current liabilities	Note 25	30,985	27,122
TOTAL CURRENT LIABILITIES		181,084	212,844
TOTAL LIABILITIES		321,494	333,408
TOTAL LIABILITIES AND EQUITY		498,805	504,745

Consolidated statement of profit and loss

(€/000)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS	Notes	30.09.2024	30.09.2023
Revenues	Note 26	412,412	420,170
Other revenues and income	Note 27	7,501	7,171
TOTAL REVENUES AND OTHER INCOME		419,912	427,341
Costs of raw materials, components and goods and changes in inventories	Note 28	180,100	191,624
Services	Note 29	79,361	79,360
Personnel expenses	Note 30	103,088	97,948
Other expenses	Note 31	2,948	2,985
Amortisation and depreciation	Note 32	11,241	10,148
TOTAL COSTS		376,738	382,065
OPERATING PROFIT		43,174	45,276
Financial income	Note 33	2,049	1,283
Financial Expenses	Note 33	(2,818)	(2,542)
Net exchange rate gain (losses)	Note 34	585	(57)
Gains (losses) on liabilities for option granted to non-controlling interests	Note 35	-	-
Profit (losses) from equity investments carried at equity	Note 36	6,792	1,224
Profit (losses) from disposals	Note 37	-	1,337
PROFIT BEFORE TAXES		49,781	46,520
Income taxes	Note 38	14,897	14,043
NET PROFIT		34,885	32,477
ATTRIBUTABLE TO:			
Owners of the parent		33,651	33,155
Non-controlling interests		1,234	(678)
Earnings per share			
Basic earnings per share (in Euros)	Note 16	0.66	0.65
Diluted earnings per share (in Euros)	Note 16	0.65	0.65

Consolidated statement of comprehensive income

(€/000)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	30.09.2024	30.09.2023
Net profit	34,885	32,477
Items that may be subsequently reclassified to profit or loss:		
- Exchange rate differences	(5,388)	1,321
- Other items valued using the equity method	-	44
Items that may not be subsequently reclassified to profit or loss:		
- Actuarial gains (losses) on employee benefits net of the tax effect	-	-
- Actuarial gains on agents' termination benefits net of the tax effect	-	-
Total Comprehensive income	29,547	33,842
attributable to:		
- Owners of the parent	28,313	34,520
- Non-controlling interests	1,234	(678)

Consolidated statement of cash flows

(€/000)

Consolidated Statement of Cash Flow	30.09.2024	30.09.2023
OPERATING ACTIVITIES		
Net profit	34,885	32,477
Adjustments for:		
Amortisation and depreciation	11,241	10,148
Provision	1,356	2,269
Net non-monetary financial (income)	1,859	2,542
Change in employee benefits liabilities	(45)	(109)
(Plus) or minus from disposal of fixed assets and investments	-	-
Unrealized currency exchange rate (gains) losses	(689)	(14)
Non-monetary changes related to liabilities for options granted to non-controlling interests	-	-
Investment equity valuation	(6,792)	(1,224)
Other non-monetary variations	3,213	1,649
Taxes	14,897	14,043
Cash flows from operating activities before changes in net working capital	59,926	61,781
(Increase)/decrease in trade receivables	6,882	970
(Increase)/decrease in inventories	82	(1,794)
(Increase)/decrease in contract assets and liabilities for work in progress	(5,243)	(3,213)
(Increase)/decrease in other current assets	(1,992)	998
Increase/(decrease) in trade payables	(13,207)	(12,869)
Increase/(decrease) in advance from customers	(345)	(8,097)
Increase/(decrease) in other current liabilities	(4,587)	(2,388)
(Increase)/decrease in non-current assets	-	(167)
Increase/(decrease) in non-current liabilities	-	(27)
Income taxes paid	(11,678)	(11,177)
CASH FLOWS FROM OPERATING ACTIVITIES (A)	29,839	24,017
INVESTING ACTIVITIES		
Investments in property, plant and equipment	(8,368)	(7,044)
Disinvestments in property, plant and equipment	-	139
Investments in intangible assets	(538)	(1,029)
Disinvestments in intangible assets	-	-
Disinvestments/(investments) in financial assets	6,556	-
Disinvestments/(investments) in investments	-	-
Deferred price from the acquisition of controlling interest	-	148
Business combinations net of the acquired cash	3,464	-
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	1,114	(7,786)
FINANCING ACTIVITIES		
Issuance of bank loans	15,224	10,000
Repayment of bank loans	(27,010)	(22,414)
Change in current bank loans and borrowings	608	(6,355)
Interests paid	(1,820)	(2,542)
Increase/(decrease) in other financial liabilities	(22,490)	(2,627)
Dividends paid	(13,804)	(10,206)
CASH FLOWS USED IN FINANCING ACTIVITIES (C)	(49,291)	(34,145)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	(18,338)	(17,915)
EFFECT OF EXCHANGE RATE CHANGES ON BALANCE OF CASH HELD IN FOREIGN CURRENCY	38	(115)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (E)	92,785	94,365
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(18,301)	(18,030)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (G=D+E+F)	74,484	76,335

Statement of changes in consolidated 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 January, 1st, 2023	6,000	1,200	(2,208)	3,953	89,580	34,588	133,111	1,818	134,930
Allocation of prior year profit					34,588	(34,588)	-		-
Distribution of dividends					(10,206)		(10,206)		(10,206)
Incentive plans			(360)		167		(193)		(193)
Purchase of treasury shares			79		268		346		346
Disposals							-	1,279	1,279
Total comprehensive income				1,365		33,155	34,520	(678)	33,842
Balance at September 30th, 2023	6,000	1,200	(2,489)	5,318	114,396	33,155	157,578	2,420	159,998

	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 January 1st, 2024	6,000	1,200	(2,489)	14	114,612	49,400	168,737	2,600	171,337
Allocation of prior year profit					49,400	(49,400)	-		-
Distribution of dividends					(13,804)		(13,804)	(531)	(14,335)
Purchase of treasury shares			(523)		(156)		(679)		(679)
Incentive plans					1,025		1,025		1,025
Put options					(26,174)		(26,174)		(26,174)
Change in consolidation area					(1,114)		(1,114)	17,704	16,590
Total comprehensive income				(5,338)		33,651	28,313	1,234	29,547
Translation reserve non-controlling interest allocation				696		-	696	(696)	-
Balance at September 30th, 2024	6,000	1,200	(3,012)	(4,628)	123,789	33,651	157,000	20,311	177,311

Explanatory notes to the consolidated financial information

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

The 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 September 30, 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 the production of automation systems for the 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 & 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 September 30, 2024 comprised of 43 companies located on 4 continents, of which 13 production companies, with 14 production facilities and 30 commercial and service companies.

The Periodic Financial Statements at September 30, 2024, have been prepared as per Article 154-ter of Legislative Decree No. 58/98 and subsequent amendments, in addition to the Consob's Issuers' Regulation.

Content, form and basis of preparation of the Periodic Financial Statements at September 30, 2024

These Periodic Financial Statements at September 30, 2024 were drawn up according to the IAS/IFRS accounting standards endorsed by the European Union. For the preparation of the Periodic Financial Statements at September 30, 2024, IAS 34 (“Interim Reporting”) concerning interim financial reporting was not adopted, due to the fact that the Group applies this standard to the half-year financial report and not only to the quarterly reporting.

The Periodic Financial Statements at September 30, 2024 include the consolidated statement of financial position, the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the statement of changes in consolidated shareholders’ equity, in addition to the consolidated statement of cash flow and these notes for the period between January 1, 2024 and September 30, 2024. Comparison is made with the statement of financial position at December 31, 2023 and with the statement of profit and loss and statement of comprehensive income, in addition to the statement of cash flow and the movements in equity, in the first nine months of 2023.

The Periodic Financial Statements at September 30, 2024, have been prepared on the basis of the historical cost convention, with the exception of derivative financial instruments which have been recognized at fair value as required by IFRS 9 - “Financial Instruments”, and on a going-concern basis. The Group considers - also in view of its strong competitive positioning, its high profitability and the solidity of its balance sheet and financial position - that it operates as a going concern as per paragraphs 25 and 26 of IAS 1.

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

The Periodic Financial Statements at September 30, 2024 have been prepared in thousands of Euro, which may result in rounding differences when individual line items are added together as the individual line items are calculated in Euro.

The preparation of the Periodic Financial Statements at September 30, 2024, in accordance with IAS/IFRS requires management to make estimates and assumptions which have an impact on the amounts reported in the financial statements and the relative notes; actual results may differ from the estimates made. Reference should be made to the Annual Consolidated Financial Report at December 31, 2023 with regards to the main areas requiring the use of estimates and assumptions.

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 climate, which continues to evolve, makes 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 however has only limited exposure in the areas impacted by the war (i.e. Ukraine, Russia, Belarus and the Israel-Palestine area) in either sales or purchases.

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.

Orders at September 30, 2024 are up slightly on the same period of the previous year. The order backlog slightly improved against December 31, 2023 and is in any case above the Group's historic averages.

Consolidation scope and basis for preparation

These Periodic Financial Statements at September 30, 2024 include the financial statements at September 30, 2024, of the parent company and of the Italian and overseas subsidiaries.

Compared to December 31, 2023, the only change in the consolidation scope regards the first time consolidation of NuVu, following the purchase of 1% and the subsequent acquisition of control over the company by the Piovan Group, as outlined below.

In addition, as outlined in the "Significant events in the first nine months of 2024" section, 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.

"Other information" in the Explanatory Notes outlines the companies included in the consolidation scope at September 30, 2024.

The consolidation criteria adopted to prepare the Consolidated Financial Statements at September 30, 2024 are the same as those adopted and reported in the Annual Financial Report at December 31, 2023 in the paragraph “Consolidation principles and basis”.

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 Nu-Vu, an Indian company of which Piovan already indirectly holds 50% through the subsidiary Conair Pacific Equipment PTE Ltd, from the selling shareholders of Nu-Vu. 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 Nu-Vu.

Nu-Vu Conair Pvt. Ltd. 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 costumers	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 September 30, 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.

Summary of the main accounting standards and policies

In preparing the Periodic Financial Statements at September 30, 2024, the same accounting standards and policies used to prepare the Consolidated Financial Statements at December 31, 2023 were adopted and to which reference should be made to the paragraph "Accounting policies". In addition, with regards to the accounting standards applicable from January 1, 2024,

as indicated in the Condensed Consolidated Half-Year Financial Statements at June 30, 2024 in the paragraph “Change in accounting standards applicable and effects of new standards”, to which reference should be made, no noteworthy impacts are reported.

Translation of accounts 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 periods ended September 30, 2024, December 31, 2023, and September 30, 2023 (comparative data), are summarized below:

Currency		Average rate		Closing rate	
		30.09.2024	30.09.2023	30.09.2024	31.12.2023
BRL	Brazilian Real	5.69	5.4255	6.05	5.36
CAD	Canadian Dollar	1.48	1.4577	1.51	1.46
CZK	Czech Koruna	25.08	23.8290	25.18	24.72
CNY	Yuan Renminbi	7.82	7.6215	7.85	7.85
GBP	Pound Sterling	0.85	0.8710	0.84	0.87
HUF	Forint	391.32	381.6421	396.88	382.80
MXN	Mexican Peso	19.29	19.2927	21.98	18.72
SGD	Singapore Dollar	1.45	1.4523	1.43	1.46
USD	US Dollar	1.09	1.0835	1.12	1.11
THB	Baht	38.82	37.3938	36.11	37.97
INR	Indian Rupee	90.67	89.2437	93.81	91.90
TRY	Turkish Lira	35.13	24.0923	38.27	32.65
AED	UAE Dirham	3.99	3.9792	4.11	4.06
JPY	Yen	164.25	149.5790	159.82	156.33
VND	Dong	27,151.33	25,633.0000	27,529.00	26,808.00
MAD	Dirham Marocco	10.81	10.9643	10.85	10.93
KRW	Won sud	1,469.93	1,410.6822	1,469.11	1,433.66
TWD	Taiwan Dollar	34.82	12,698.8344	35.40	33.87
IDR	Indonesian Rupee	17,248.15	5.4255	16,975.88	17,079.71

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 [26].

Information on risks and financial instruments

The accounting policies applied in the preparation of the Periodic Financial Statements at September 30, 2024 for financial instruments are described in the "Accounting policies" section of the Annual Financial Report at December 31, 2023.

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

There were no changes compared to that indicated in the Annual Financial Report at December 31, 2023 regarding the risks to which the Group is exposed and their management. In particular, from early 2022, the outbreak of the war between Russia and Ukraine, and in Autumn 2023 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 assessments of the impact of future scenarios on the Group's business and performance particularly complex.

The above 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, in addition to 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 however has only limited exposure in the areas impacted by the war (i.e. Ukraine, Russia, Belarus and the Israel-Palestine area) in either sales or purchases.

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.

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 identified in the Annual Financial Report at December 31, 2023.

Explanatory Notes to the consolidated statement of financial position

[1] Property, plant and equipment

They amount to Euro 59,933 thousand at September 30, 2024 (Euro 50,887 thousand at December 31, 2023). They are composed as shown in the following table, which also present the changes in the first nine months of 2024.

Category		Balance at 31.12.2023	Change in consolidation area	Additions	Disposals	Trans. res. diff.	Reclass.	Depr.	Balance at 30.09.2024
Land and buildings	Hist. cost	48,167	3,223	38	(13)	(585)	172	-	51,002
	Depr. fund	(15,918)	(178)	-	7	245	-	(1,018)	(16,861)
	Total	32,249	3,045	38	(7)	(339)	172	(1,018)	34,140
Plant and machinery	Hist. cost	25,783	956	676	(27)	(226)	62	-	27,225
	Depr. fund	(16,228)	(440)	-	25	169	-	(1,013)	(17,487)
	Total	9,555	517	676	(2)	(57)	62	(1,013)	9,738
Industrial and commercial equipment	Hist. cost	6,583	28	211	(95)	-	-	-	6,726
	Depr. fund	(5,839)	(13)	-	95	-	-	(250)	(6,008)
	Total	743	14	211	(0)	-	-	(250)	719
Other assets	Hist. cost	28,932	447	630	(122)	(338)	74	-	29,623
	Depr. fund	(24,695)	(290)	-	125	315	100	(1,167)	(25,612)
	Total	4,237	156	630	4	(23)	174	(1,167)	4,011
Assets under contr. and advances	Hist. cost	4,102	935	6,813	5	(33)	(496)	-	11,325
	Depr. fund	-	-	-	-	-	-	-	-
	Total	4,102	935	6,813	5	(33)	(496)	-	11,325
Total		50,887	4,668	8,368	(0)	(452)	(88)	(3,448)	59,933

Capital expenditures in the first nine months of 2024 totaled Euro 8,368 thousand, of which non-recurring totaling Euro 6,329 thousand and mainly relating for Euro 1,318 thousand to the subsidiary FEA S.r.l. as part of the production area expansion, for Euro 3,899 thousand to the subsidiary Piovan Industrial Automation, related to the construction work on the new building in China, and for Euro 1,112 thousand to NuVu. mainly related to the construction of the new factory in India.

At September 30, 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 September 30, 2024, of Euro 16,660 thousand decreased on Euro 16,715 thousand at December 31, 2023.

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		Balance at 31.12.2023	Increases	Decreases	Trans. res. diff.	Depreciation	Balance at 30.09.2024
Land and buildings	Hist. cost	23,156	4,433	(3,414)	(135)		24,040
	Depr. fund	(8,434)	-	1,153	40	(2,262)	(9,503)
	Total	14,722	4,433	(2,261)	(95)	(2,262)	14,538
Plant and machinery	Hist. cost	-					
	Depr. fund	-					
	Total	-	-	-	-	-	-
Industrial and commercial equipment	Hist. cost	-					-
	Depr. fund	-					-
	Total	-	-	-	-	-	-
Other assets	Hist. cost	3,717	958	(328)	13		4,360
	Depr. fund	(1,724)		216	(8)	(721)	(2,237)
	Total	1,993	958	(112)	5	(721)	2,123
Total		16,715	5,391	(2,373)	(90)	(2,983)	16,660

[3] Intangible assets

They amounted to Euro 139,396 thousand at September 30, 2024, compared to Euro 120,315 thousand at December 31, 2023. The breakdown of the movements are as follows:

Category	Balance at 31.12.2023	Change in consolidation area	Additions	Trans. res. diff.	Reclass.	Amortiz.	Balance at 30.09.2024
Goodwill	61,863	13,849		(1,130)			74,582
Industrial patent and intellectual property rights	627		101	(4)	85	(220)	589
Concessions, licences, trademarks and similar rights	6,391	4	111	(99)	-	(441)	5,966
Other intangible assets	50,901	11,779	77	(1,128)	88	(4,150)	57,567
Assets under construction and payments on account	533		249	(5)	(85)	0	692
Total	120,315	25,632	538	(2,366)	88	(4,811)	139,396

The changes in consolidated companies are due to the addition of NuVu to the consolidation scope and the purchase price allocation, which (as previously indicated) concerned both intangible assets of finite useful life (customer list and backlog) and Goodwill.

Goodwill at September 30, 2024 amounted to Euro 74,582 thousand, compared to Euro 61,863 thousand at December 31, 2023.

Cash Generating Unit	31.12.2023	Change in consolidation area	Change in translation reserve	30.09.2024
UnaDyn	3,388		(44)	3,344
Food	2,146			2,146
Doteco	15,695			15,695
Conair	28,289		(362)	27,927
Pelletron	5,032		(66)	4,966
Thermalcare	7,305		(95)	7,210
NuVu		13,849	(563)	13,286
Others	8			8
Total	61,863	13,849	(1,130)	74,582

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 September 30, 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 adopted.

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 9,089 thousand, customer relationships for a residual Euro 36,364 thousand, Trademarks for a residual Euro 5,555 thousand, and Goodwill for Euro 40,103 thousand.

The goodwill mainly refers to the acquisition:

- the US subsidiary Universal Dynamics Inc. (“Unadyn CGU”) in 2008;
- the acquisition of Penta S.r.l. at the end of 2014, in Progema S.r.l. in 2006 and in FEA in 2019, “Food CGU”;
- 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 1,332 thousand and is attributable to the IPEG group.

No facts or events have been identified that would require updated impairment testing compared to the testing conducted for the accounts at December 31, 2023, which reported very high levels of coverage.

[4] Equity investments

They amount to Euro 1,300 thousand at September 30, 2024, compared to 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 the first nine months of 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]).

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

Company	Registered office	%	31.12.2023	Increase / Decrease	Change in consolidation area	Change in translation reserve	30.09.2024
CMG S.p.A.	Budrio (BO)	20%	344	165			509
Penta Auto Feeding India Ltd	Mumbai (India)	50%	75	234		3	312
Nu-Vu Conair Private Ltd	Ahmedabad (India)	50%	10.529	6.393	(16.914)	(8)	-
Total investments in affiliated companies and JV			10.948	6.792	(16.914)	(5)	821
Affinity			472			(6)	466
Toba Pnc	Seoul (Sud Corea)	10%	-				-
Other			6			8	14
Total other investments			478		-	2	480
Total			11.426	6.792	(16.914)	(3)	1.300

Equity investments in associates and joint ventures as indicated in the table above have been measured 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 in 2023, the Group continued to hold a minority interest of 10%. The value of the investment was fully written down.

[5] Other non-current assets

At September 30, 2024, these amounted to Euro 578 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 12,140 thousand at September 30, 2024, compared to Euro 11,913 thousand at December 31, 2023.

Deferred tax liabilities amounted to Euro 15,000 thousand at September 30, 2024, compared to Euro 12,822 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.

The deferred tax liabilities mainly related to the deferred taxes on the gains on the purchase price allocation of the IPEG group, in the amount of Euro 11,448 thousand at September 30,

2024 and deferred taxes relating to the allocation of NuVu amounting to Euro 2,739 thousand at September 30, 2024.

[7] Inventories

At September 30, 2024, they amounted to Euro 86,647 thousand, compared to Euro 85,341 thousand at December 31, 2023; the breakdown is shown below:

Inventories	30.09.2024	31.12.2023
Raw materials	40,579	43,358
Semi-finished products	31,332	23,979
Finished goods	27,571	29,984
Progress payments	2,985	3,235
Obsolescence reserve	(15,820)	(15,215)
Inventories	86,647	85,341

Inventories slightly increased on December 31, 2023, mainly due to the consolidation of NuVu, whose inventory contributed Euro 3,853 thousand at September 30, 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.

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

At September 30, 2024, the item Contract assets for work-in-progress amounted to Euro 14,336 thousand, compared with Euro 8,828 thousand at December 31, 2023.

Contract liabilities for work-in-progress amounted to Euro 5,111 thousand at September 30, 2024, compared with Euro 4,748 thousand at December 31, 2023.

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

Contract assets for work in progress	30.09.2024	31.12.2023
Measurement of contracts in progress (costs incurred added to profits recognized)	37,654	20,539
Progress payments received	(23,318)	(11,710)
Amounts due from customers	14,336	8,828
Contract liabilities for work in progress	30.09.2024	31.12.2023
Measurement of contracts in progress (costs incurred added to profits recognized)	7,957	24,318
Progress payments received	(13,068)	(29,066)
Amounts due to customers	(5,111)	(4,748)

[9] Trade receivables

They amounted to Euro 71,421 thousand at September 30, 2024, compared to Euro 79,979 thousand at December 31, 2023. This item, which represents the exposure to third parties, is broken down as follows:

€/000	30.09.2024	31.12.2023
Gross trade receivables	77,735	85,655
Provision for bad debt	(6,314)	(5,675)
Trade receivables	71,421	79,979

The value of receivables decreased on December 31, 2023, in line with the Group's collection policies.

Write-downs are made on the basis of a careful analysis of past due accounts of customers in financial difficulties and clients with whom legal action has been initiated, in addition to estimated expected losses on receivables by management. The estimate considers past experience for similar receivables, current and historic amounts overdue, losses incurred, receipts, 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 provision for bad debt reports the following movements in the period:

Bad Debt Provision	
31.12.2023	5,675
Release	(384)
Accruals	1,149
Utilisations	(118)
Change in consolidation area	76
Exchange rate difference	(84)
30.09.2024	6,314

[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 reduced almost entirely to zero.

[11] Tax receivables

They amounted to Euro 7,352 thousand at September 30, 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 Fea.

€/000	30.09.2024	31.12.2023
VAT receivables	1,474	2,310
Other current tax assets	5,878	3,957
Tax receivables	7,352	6,267

[12] Other current assets

They amounted to Euro 14,502 thousand at September 30, 2024, compared to Euro 13,163 thousand at December 31, 2023. A breakdown follows:

€/000	30.09.2024	31.12.2023
Advances to suppliers	10,796	9,009
Prepayments and accrued expenses	2,634	2,596
Other receivables	1,072	1,558
Other current assets	14,502	13,163

[13] Cash and cash equivalents

They amounted to Euro 74,484 thousand at September 30, 2024, compared to Euro 92,785 thousand at December 31, 2023.

€/000	30.09.2024	31.12.2023
Current accounts and post office deposits	68,060	79,246
Cash equivalent	6,341	13,500
Cash	83	39
Cash and cash equivalents	74,484	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 time deposits that can be disinvested rapidly.

For further information on the movements to cash and cash equivalents, reference should be made to the Statement of Cash Flows.

[14] Equity attributable to the owners of the Parent

Equity is made up as follows:

Equity attributable to the owners of the parent	30.09.2024	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	(4,628)	14
Other Reserves and retained earnings	123,789	114,612
Net profit (loss)	33,651	49,400
Equity attributable to the owners of the parent	157,000	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.

Therefore, the Company and the Group as at September 30, 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 value of Euro 3,012 thousand at September 30, 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.

It should be noted that, with reference to the 2020–2022 Performance Shares Plan, for the third cycle, certain executives of the Parent Company were granted the right to receive shares in Piovan S.p.A., which on vesting number 165,178, based on achieving the plan's targets, with vesting in 2024. The total value is Euro 582 thousand, whereas the amounts vested at September 30, 2024 totaled Euro 529 thousand. These shares will vest permanently at the end of the vesting period if the executive still has an employment relationship with the Company.

In addition, 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 351,450. The total value of the first and second cycles is Euro 3,472 thousand, whereas the amounts vested at September 30, 2024 totaled Euro 1,345 thousand. These shares will vest permanently at the end of the vesting period if the executive still has an employment relationship with the Company.

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 equity attributable to non-controlling interests at September 30, 2024 amounted to Euro 20,311 thousand, compared to Euro 2,600 thousand at December 31, 2023. The account includes the share of the non-controlling 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 1,234 thousand.

[16] Basic and diluted earnings per share

At September 30, 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, the number of treasury shares changed because of the assignment to the beneficiaries of 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:

Basic Earnings per share	30.09.2024	30.09.2023
Net Profit Attributable to Owners of the Parent (in thousands of Euros)	33,651	33,155
Weighted average number of ordinary shares (in thousands of units)	50,975	50,700
Basic earnings per share (in Euros)	0.66	0.65

The diluted earnings per share is as follows:

Diluted Earnings per share	30.09.2024	30.09.2023
Net Profit Attributable to Owners of the Parent (in thousands of Euros)	33,651	33,155
Weighted average number of ordinary shares (in thousands of units)	51,600	51,130
Diluted earnings per share (in Euros)	0.65	0.65

[17] Current and non-current financial liabilities

The account is broken down as follows:

Current financial liabilities	30.09.2024	31.12.2023
Short-term bank borrowings	1,274	666
Current portion of long-term loans	33,713	36,567
Other loans and borrowings	4,254	23,240
Current financial liabilities	39,241	60,473

Non-current financial liabilities	30.09.2024	31.12.2023
Medium to long-term bank loans	70,732	79,624
Other loans and borrowings	14,228	14,497
Non-current financial liabilities	84,960	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 September 30, 2024, and December 31, 2023, as well as the main features of the bank loans by maturity:

Curren cy	Original amount (EUR)	Maturity	Interest rate	Terms	30.09.2024			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	20,000	14/10/2025	Fixed	0,67%	6,000	4,000	2,000	8,000	4,000	4,000
EUR	4,125	23/12/2028	Variable	Euribor 6m+0,6%	2,652	589	2,063	2,946	589	2,357
EUR	10,000	22/11/2024	Fixed	0,25%	836	836	-	3,342	3,342	-
EUR	100,000	21/01/2028	Fixed	1,34%	70,000	20,000	50,000	85,000	20,000	65,000
EUR	10,000	20/06/2025	Variable	Euribor 6m+0,80%	2,608	2,608	-	5,127	3,377	1,749
EUR	10,000	15/05/2027	Variable	Euribor 6m+0,75%	7,500	2,500	5,000	8,750	2,500	6,250
USD	15,000	20/06/2029	Variable	SOFR 6m+1,1%	13,398	2,680	10,718	-	-	-
CNY	1,144	31/07/2033	Variable	LPR - 75 bsp	1,144	-	1,144	-	-	-
Bank loans					104,637	33,713	70,924	116,423	36,567	79,856
EUR	741	30/06/2031	Fixed	0,18%	658	93	564	704	93	611
Other					658	93	564	704	93	611
Total					105,295	33,807	71,489	117,127	36,660	80,467

Loans are recognized at amortized cost and include arrangement expenses of Euro 193 thousand recognized as a reduction to the residual debt (Euro 232 thousand at December 31, 2023).

Financial liabilities changed during the period 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
Change in consolidation area	608	(24,154)	(22,490)	(46,036)	12,408	-	12,408
Disbursements/(Refunds)			294	294		(78)	(78)
Change in translation reserve			604	604		2,415	2,415
Increase/(decrease) for lease		21,300	2,606	23,906	(21,300)	(2,606)	(23,906)
30.09.2024	1,274	33,713	4,254	39,241	70,732	14,228	84,960

[18] Employee benefits plans

They amounted to Euro 5,641 thousand at September 30, 2024, compared to Euro 5,635 thousand at December 31, 2023.

The item mainly includes the liabilities for the Post-employment benefit provision recorded in the companies of the Group qualifying as defined benefit plans according to IAS 19 and thus subject to actuarial calculation.

Compared to the actuarial assumptions outlined in the Explanatory Notes to the Consolidated Financial Report at December 31, 2023, no developments occurred which would require an update to the actuarial calculation and to the underlying assumptions.

[19] Provisions for risks and charges

The provision for risks and charges at September 30, 2024 amounted to Euro 7,808 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 consolidation area	Accruals	Decreases	Change in Translation reserve	30.09.2024
Provision for legal and tax risks	706		2,650		(9)	3,347
Provision for product warranties	3,015	192	175	(94)	(67)	3,221
Provision for agents' termination benefits	212		77	(99)		190
Pension provision	57		6	-		63
Other provisions for risks	1,497			(505)	(4)	988
Provisions for risks and charges	5,486	192	2,908	(698)	(80)	7,808

The provision for legal and tax risks at September 30, 2024 includes a provision set aside by the US subsidiary for a total amount of USD 420 thousand (Euro 375 thousand) against a potential liability linked to indirect taxation in various states. This item moved also following the allocation to the provision for tax risks and of the relative legal charges, as better outlined in the "Significant events in the first nine months of 2024" 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 September 30, 2024, these liabilities amounted Euro 26,174 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.

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 September 30, 2024, these amounted to Euro 827 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	30.09.2024	31.12.2023
Payables to employees	-	1,759
Other payables	827	741
Other non current liabilities	827	2,500

[22] Trade payables

They amounted to Euro 58,963 thousand at September 30, 2024, compared to Euro 71,668 thousand at December 31, 2023. The movement in this item to September 30, 2024 mainly derives from the reduction in the timing of payments.

[23] Advances from customers

At September 30, 2024, Advances from customers amounted to Euro 36,830 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 amounted to Euro 9,954 thousand at September 30, 2024, compared to Euro 11,388 thousand at December 31, 2023. The account is broken down as follows:

	30.09.2024	31.12.2023
Social security contributions	3,209	4,372
VAT liabilities	2,104	2,954
Tax withholdings for employees	759	1,910
Income tax liabilities (IRES and IRAP)	3,882	2,152
Tax liabilities and social security contributions	9,954	11,388

[25] Other current liabilities

They amounted to Euro 30,985 thousand at September 30, 2024, compared to Euro 27,122 thousand at December 31, 2023. The account is broken down as follows:

	30.09.2024	31.12.2023
Payables to employees	21,564	18,428
Payables to parent company	1,286	410
Accrued income and deferred expense	4,433	4,386
Other payables	3,702	3,898
Other current liabilities	30,985	27,122

Employee payables refer to wages and salaries and accruals for vacation and leave accrued, in addition to the current portion of monetary incentive plans. Payables to parent companies refer to the parent company Piovan S.p.A. and the subsidiaries Penta S.r.l. and Aquatech S.r.l. and concern estimated current taxes based on the 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.

Explanatory Notes to the Consolidated Statement of Profit and Loss

With regards to all statement of profit and loss items, it should be noted that the first nine months of 2024 include operations for 8 months of NuVu.

[26] Revenues

Revenues amounted to Euro 412,412 thousand for the first nine months of 2024, compared to Euro 420,170 thousand for the first nine months of 2023, a decrease of 1.8%. 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	First nine months 2024 (*)	%	First nine months 2023	%	Change	Change %
Technical Polymers	309,140	75.0%	322,146	76.7%	(13,006)	(4.0%)
Food & Industrial Applications	36,120	8.8%	32,394	7.7%	3,726	11.5%
Services	67,152	16.2%	65,630	15.6%	1,522	2.3%
Revenue	412,412	100.0%	420,170	100.0%	(7,758)	(1.8%)

(*) 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 section “Accounting policies” of the Annual Financial Report at December 31, 2023. This revenue category totaled Euro 28,809 thousand for the first nine months of 2024 (Euro 23,749 thousand in the first nine months of 2023). This revenue mainly relates to the subsidiaries Penta S.r.l., FEA S.r.l. and Pelletron Corp., part of the IPEG Group.

The breakdown of revenue by region is as follows:

€/000	First nine months 2024 (*)	%	First nine months 2023	%	Change	Change %
EMEA	141,428	34.3%	136,483	32.5%	4,945	3.6%
ASIA	47,644	11.6%	41,480	9.9%	6,164	14.9%
NORTH AMERICA	210,246	51.0%	226,682	54.0%	(16,436)	(7.3%)
SOUTH AMERICA	13,094	3.2%	15,525	3.7%	(2,431)	(15.7%)
Revenue	412,412	100.0%	420,170	100.0%	(7,758)	(1.8%)

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

Revenues in EMEA include revenues in Italy which amounted to Euro 34,049 thousand in the first nine months of 2024 and Euro 37,100 thousand in the first nine months of the previous year.

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

[27] Other Revenues and Income

Other revenues amount to Euro 7,501 thousand, increasing Euro 330 thousand compared to the first nine months of 2023 and which break down as follows:

€/000	First nine months 2024	First nine months 2023
Accessory transport services for sales	5,497	4,729
Machinery leases	45	50
Grants	38	432
Contingency	556	515
Gains for disposal of tangible and intangible assets	140	37
Insurance compensation	10	5
Agency commissions	35	174
Other	1,180	1,229
Other revenues and income	7,501	7,171

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.

Other mainly includes recharges and penalties applied to customers.

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

This item amounted to Euro 180,100 thousand in the first nine months of 2024 compared to Euro 191,624 thousand in the first nine months of the previous year. This item is broken down as follows:

€/000	First nine months 2024	First nine months 2023
Costs of raw materials, components and goods	181,826	182,514
Costs of consumables	6,564	6,985
Change in raw materials and goods	(3,905)	(1,738)
Change in finished goods and semi-finished products	(4,385)	3,863
Costs of raw materials, components and goods and changes in inventories	180,100	191,624

The item decreased compared to the first nine months of the previous year by approximately 6%. As a percentage of Total revenue and income, the item decreased from 44.8% for the first nine months of 2023 to 42.9% in the first nine months of 2024.

[29] Services

Service costs amounted to Euro 79,361 thousand in the first nine months of 2024, compared with Euro 79,360 thousand in 2023.

€/000	First nine months 2024	First nine months 2023
Outsourcing	23,214	25,584
Transport	11,990	11,584
Business trips and travel	5,920	5,094
Agency commissions	10,889	12,796
Fees to directors, statutory auditors and independent auditors	1,771	1,900
Consultancies	5,460	4,160
Maintenance and repairs	4,424	3,550
Marketing and advertising	3,612	3,171
Utilities	1,931	1,933
Insurance	1,969	1,922
Telephone and connections	747	760
Other costs for services	4,264	3,986
Rental expenses	1,944	1,625
Leases	113	169
Hires	1,113	1,126
Services	79,361	79,360
of which non-recurring	1,294	272
Costs for services excluding non-recurring services	78,067	79,088

The item is substantially in line with the first nine months of the previous year. As a percentage of Total revenue and income, the item increased from 18.6% for the first nine months of 2023 to 18.9% in 2024.

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

- outsourcing costs amounting to Euro 23,214 thousand in the first nine months of 2024 (29.3% of total service costs) determined by the production methods of the Group, which concentrates internally processing and high value added and core activities. In the first nine months of 2023, this item amounted to Euro 25,584 thousand (32.2% of total Service Costs). This change relates to the different product mix and sales trends in North America compared to other countries.
- transport costs on purchases and sales, which totaled Euro 11,990 thousand in the first nine months of 2024, equal to 15.1% of service costs, compared to 14.6% 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 10,889 thousand in the first nine months of 2024, equal to 13.7% of service costs, compared to 16.1% 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.

[30] Personnel expense

Personnel expense amounted to Euro 103,088 thousand compared with Euro 97,948 thousand in the first nine months of 2023. A breakdown of personnel expenses is provided below:

€/000	First nine months 2024	First nine months 2023
Wages and salaries	79,829	76,225
Social security contributions	19,882	18,520
Costs for defined benefit plans	1,520	1,386
Other expenses	1,858	1,817
Personnel expenses	103,088	97,948

The item increased on the previous year by approximately 5.2%. The increase is due partly to the inclusion of NuVu in the consolidation scope, although mainly due to the increases in the national collective bargaining agreements in Italy, in addition to the share of bonuses and incentive plans for the period.

As a percentage of Total revenue and income, the item decreased from 22.9% for the first nine months of 2023 to 24.5% in the first nine months of 2024.

[31] Other expenses

This item amounted to Euro 2,948 thousand, compared with Euro 2,985 thousand in the previous year. This item is broken down as follows:

€/000	First nine months 2024	First nine months 2023
Other taxes and duties	901	971
Bad debt provision	780	490
Entertainment costs	317	254
Provision for legal and tax risks	16	(92)
Provision for product warranty	130	95
Provision for additional client expenses	77	15
Other	727	1,252
Other expenses	2,948	2,985

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

This item amounted to Euro 11,241 thousand, compared with Euro 10,148 thousand in the previous year. This item is broken down as follows:

€/000	First nine months 2024	First nine months 2023
Amortisation	4,810	3,946
Depreciation	3,448	3,254
Right of use depreciation	2,983	2,948
Depreciation & amortisation	11,241	10,148

The increase is related for Euro 897 thousand to the amortization of intangible assets (customer list and backlog), recognized within the PPA regarding the acquisition of control of NuVu.

[33] Financial income and expenses

Net financial expenses of Euro 769 thousand are reported for the first nine months of 2024 (net expenses of Euro 1,260 thousand for the first nine months of 2023). This item is broken down as follows:

€/000	First nine months 2024	First nine months 2023
Interest income	1,562	863
Income on financial assets	262	320
Other financial income	225	100
Financial income	2,049	1,283
Bank interest expenses	1,859	1,769
Other interest expenses	311	267
Other financial expenses	648	507
Financial expense	2,818	2,543
Net financial income (charges)	(769)	(1,260)

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 the first nine months of 2023 as a result of the more effective management of liquidity.

[34] Net exchange rate gains/(losses)

The item reports net gains of Euro 585 thousand for the first nine months of 2024, compared to net losses of Euro 57 thousand for the first nine months of 2023. This item is broken down as follows:

€/000	First nine months 2024	First nine months 2023
Exchange rate gains	5,097	3,614
Exchange rate losses	(4,513)	(3,672)
Net exchange rate gain (losses)	585	(57)
<i>of which non-recurring</i>	(475)	-
Net exchange rate gain (losses) excluding non-recurring	1,060	(57)

Unrealized foreign exchange gains included under *Foreign exchange gains* amounted to Euro 3,497 thousand in the first nine months 2024 (68.6% of foreign exchange gains for the period) and Euro 2,095 thousand in the first nine months of 2023 (58.0% of foreign exchange gains for the period).

Unrealized foreign exchange losses included under *Foreign exchange losses* amounted to Euro 2,808 thousand in the first nine months of 2024 (62.2% of foreign exchange losses for the period) and Euro 2,080 thousand in the first nine months of 2023 (56.7% of foreign exchange losses for the period).

The movement compared to the first nine months of 2023 is mainly due to the IPEG Group and Piovan do Brasil, in addition to US Dollar and Brazilian Real movements against the Euro.

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

The liabilities for options granted to non-controlling interests concern at September 30, 2024 only the put options of the NuVu non-controlling interests, as outlined at note [20]. With regards to these liabilities, no developments in the period between February and September 2024 regarding the valuation made on initial recognition are reported.

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

The item reports a net gain of Euro 6,792 thousand in the first nine months of 2024 (Euro 1,224 thousand in 9M 2023), and mainly includes the revaluation at fair value of the holding initially held in NuVu (50%), which subsequently entered the consolidation scope. Reference should be made to note [4] for further information.

[37] Profit (losses) from disposals

In 2023, this included the income attributable to the Group from the sale of the investment in Toba PNC and consequent loss of a controlling interest.

[38] Income Taxes

This item amounted to Euro 14,897 thousand in the first nine months of 2024, compared to Euro 14,043 thousand in the first nine months of 2023. Income taxes have been determined taking into account the best estimate of the average annual tax rate expected for the whole year.

	First nine months 2024	First nine months 2023
Current tax liabilities	13,069	14,172
Deferred/advance taxes	(503)	(373)
Previous years' taxes	(119)	243
Accrual for risks	2,450	-
Income taxes	14,897	14,043

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.

In the first nine months of 2024 and 2023, the following non-recurring expenses and income were identified.

Non-recurring items (€/000)	First nine months 2024	First nine months 2023
Non-recurring items related to acquisitions, reorganizations and integration	(1,294)	(229)
Non-recurring expenses related to Chinese plant	-	(43)
Income from acquisition of Nuvu control	6,393	-
Exchange effect of Nuvu acquisition	(475)	-
Income from the sale of Toba	-	1,337
Accrual for risks	(2,450)	-
Total	2,174	1,065

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", stipulates that the beneficiaries are identified from among the Executive Directors, excluding the Executive Chairperson, and the Senior Executives at the Piovan Group companies, providing for the free allocation of Piovan S.p.A. shares already held by the Company. The first cycle of this first plan came to a close in 2022, and in January 2023, 93,255 shares, representing all of the shares planned, were assigned to plan participants.

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

means indicated in the respective regulations and disclosure documents. The first cycle of this second plan came to a close in 2022, and the amounts due will be paid in 2023.

The third plan, called the “2020-2022 Phantom Stock Option Plan”, is for the Executive Directors and Senior Executives at Piovan Group’s companies. This is a long-term plan divided into three cycles (also known as “Vesting Periods”), each lasting three years. The Vesting Periods are the periods at the end of which it is possible to request payment of the incentive. The duration of the Phantom Stock Option Plan, therefore, is from the date of the plan’s approval by the Ordinary Shareholders’ AGM until the date the incentive is paid. This will be in 2025, while the last Vesting Period will end on December 31, 2024. The first cycle of this third plan came to a close in 2022, and the amounts due will be paid in 2023.

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 of each year, 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.

Classes of financial instruments and fair value hierarchy

With reference to the breakdown of financial assets and liabilities required by IFRS 7, there were no transfers between the fair value levels indicated in IFRS 13 and those reported in the Annual Financial Report at December 31, 2023, to which reference should be made for further information.

Related party transactions

During 2023 and 2024, 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.

Commitments and risks

At September 30, 2024, the Group provided guarantees to third parties as indicated below:

- Euro 14,409 thousand for guarantees in favor of third party customers against advances received for sales contracts in progress;
- Euro 10 thousand for guarantees in favor of third parties of the Parent Company Piovan S.p.A..

At September 30, 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 31,349 thousand. It should be noted that of this Euro 31,349 thousand, Euro, 22,000 thousand are guarantees provided to a credit institution on behalf of Pelletron Corp., which utilized Euro 9,161 thousand to in turn provide guarantees to customers against advances received for sales contracts in progress.

In addition, commitments related to lease agreements that are not recognized as liabilities in accordance with IFRS 16 total approximately Euro 4,227 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 economic and financial situation, further to that already outlined within the Provisions for risks and charges item (Note [19]).

We are not aware of any contingent assets of significance to the Group's financial performance or standing.

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

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

Company name	Registered office	Country	Currency	Share capital at 30/09/2024	% shareholding at 30/09/2024	Shares held		Consolidation method
						Shareholder-Partner		
Parent:								
Piovan S.p.A.	Santa Maria di Sala	Italy	EUR	6,000,000				
Equity investments in subsidiary companies:								
Piovan India Private Ltd	Mumbai	India	INR	350,000	100.00%	Piovan S.p.A.		Full
Piovan Plastics Machinery Ltd	Suzhou (CN)	Cina	CNY	5,088,441	100.00%	Piovan S.p.A.		Full
Piovan Do Brasil Ltda	Osasco (BRA)	Brasile	BRL	11,947,356	100.00%	Piovan S.p.A.		Full
Piovan Mexico S. A.	Queretaro (MX)	Messico	MXN	706,540	100.00%	Piovan S.p.A.		Full
Piovan Central Europe GmbH	Brunn am Gebirge (A)	Austria	EUR	35,000	100.00%	Piovan S.p.A.		Full
Piovan UK Ltd	Bromsgrove (GB)	Regno Unito	GBP	25,000	100.00%	Piovan S.p.A.		Full
Piovan Czech Republic s.r.o.	Praga (CZ)	Repubblica Ceca	CZK	200,000	100.00%	- Piovan Central Europe GmbH (90%) - Piovan S.p.A. (10%)		Full
Piovan France Sas	Chemin du Pognat (F)	Francia	EUR	1,226,800	100.00%	Piovan S.p.A.		Full
Universal Dynamics Inc.	Fredericksburg, Virginia (U.S. A.)	USA	USD	3,500,000	100.00%	Piovan S.p.A.		Full
Piovan GmbH	Garching (D)	Germania	EUR	102,258	100.00%	Piovan S.p.A.		Full
Piovan Canada Ltd	Mississauga - Ontario (CAN)	Canada	CAD	10	100.00%	Piovan S.p.A.		Full
Piovan Asia Pacific Ltd	Bangkok (TH)	Tailandia	THB	8,010,000	100.00%	Piovan S.p.A.		Full
FDM GmbH	Troisdorf (DE)	Germania	EUR	75,000	66.67%	Piovan S.p.A.		Full
Piovan Muhendslilik Ltd	Beikoz (TR)	Turchia	TRY	10,000	100.00%	Piovan S.p.A.		Full
Penta S.r.l.	Ferrara (IT)	Italia	EUR	100,000	100.00%	Piovan S.p.A.		Full
Energys S.r.l.	Venezia (IT)	Italia	EUR	10,000	100.00%	Piovan S.p.A.		Full
Piovan Japan Inc.	Kobe (J)	Giappone	JPY	6,000,000	100.00%	Piovan S.p.A.		Full
Piovan Gulf FZE	Dubai (UAE)	Emirati Arabi	AED	1,000,000	100.00%	Piovan S.p.A.		Full
Aquatech S.r.l.	Venezia (IT)	Italia	EUR	40,000	100.00%	Piovan S.p.A.		Full
Piovan Vietnam Company Ltd	Mai Chi Tho (Vietnam)	Vietnam	VND	1,136,500,000	100.00%	Piovan S.p.A.		Full
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%	Universal Dynamics Inc.		Equity method
Doteco S.p.A.	Modena (IT)	Italia	EUR	1,000,000	100.00%	Piovan S.p.A.		Full
Doteco INC	Dalton, Georgia (U.S.A.)	USA	USD	75,000	100.00%	Doteco S.p.A.		Full
Piovan North America Llc	Delaware (USA)	USA	USD	67,456,750,16	100.00%	Piovan S.p.A.		Full
IPEG Holdings Inc.	Delaware (USA)	USA	USD	14,389,210,57	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	-	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% 1.00%	Piovan S.p.A. Aquatech S.r.l.		Full
Piovan Korea	Seoul (Corea)	Corea	KRW	300,000,000	100.00%	Piovan S.p.A.		Full
Nu-Vu Conair Private LTD	Ahmedabad (India)	India	INR	19,915,000	1.00% 50.00%	Piovan S.p.A. Conair Pacific Equipement Pte Ltd		Full
Equity investments in affiliated companies:								
CMG S.p.A.	Budrio (BO)	Italy	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

Subsequent events after September 30, 2024

Reference should be made to the additional details provided in the “Group Operating Performance” section for the significant events subsequent to September 30, 2024.

Santa Maria di Sala (Venice), November 13, 2024

For the Board of Directors

Executive Chairman

Nicola Piovan

**STATEMENT ON THE PERIODIC FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2024**

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

Santa Maria di Sala, November 13, 2024

The undersigned Giovanni Rigodanza, as Executive Officer for Financial Reporting, states that the Periodic Financial Statements at September 30, 2024 correspond to the underlying accounting documents, records and entries.

The Executive Officer for Financial Reporting

Giovanni Rigodanza



Periodic Financial Statements at
September 30, 2024 of Piovan S.p.A.

PIOVAN S.p.A.

Via delle Industrie 16 – 30036
S. Maria di Sala VE - Italy