



PERIODIC
FINANCIAL
STATEMENTS

at March 31, 2020

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BOARD OF DIRECTORS OF THE PARENT COMPANY PIOVAN S.P.A.

Board of Directors

In office until the Shareholders' AGM for the approval of the 2020 Annual Accounts.

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

(*) Independent Director pursuant to art. 147-ter, paragraph 4 of the Consolidated Finance Act and art. 3 of the Corporate Governance Code.

(**) Director appointed as Lead Independent Director pursuant to art. 2, paragraph 4 of the Corporate Governance Code.

Board of Statutory Auditors

In office until the Shareholders' AGM for the approval of the 2020 Annual Accounts.

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

Control, Risks and Sustainability Committee

Name	In charge
Chiara Mio	Chairman
Marco Maria Fumagalli	
Marco Milani	

Appointments and Remuneration Committee

Name	In charge
Lucia Giancaspro	Chairman
Marco Maria Fumagalli	
Chiara Mio	

Related Parties Committee

Name	In charge
Marco Maria Fumagalli	Chairman
Lucia Giancaspro	
Marco Milani	

Executive officer for financial reporting

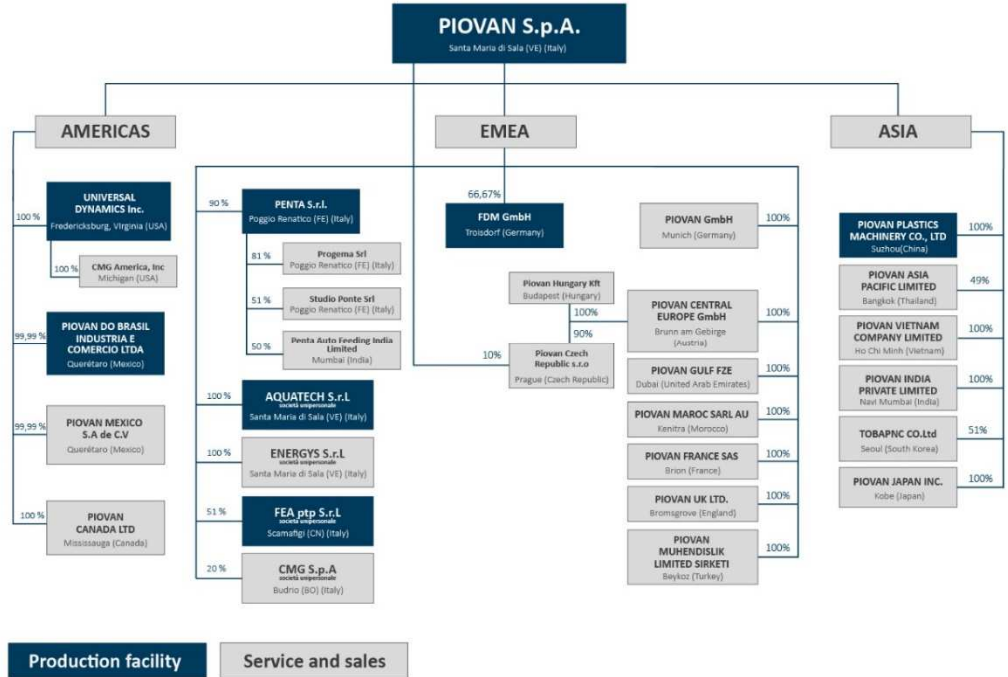
Marco Mammano

Independent Audit Firm

In office until the Shareholders' AGM for the approval of the 2026 Annual Accounts.

Deloitte & Touche S.p.A.

GROUP STRUCTURE AT MARCH 31, 2020



OPERATING PERFORMANCE

General economic overview

The performance of the world economy between the end of 2019 and the beginning of 2020 continued to partially benefit from favourable monetary policies. Financial conditions appear less favourable, however, particularly for some emerging economies, and import tariff policies, especially the reciprocal relationship between China and the USA, have slowed world trade growth.

As noted, since January 2020, the domestic and international picture has been dominated by the spread of Coronavirus (Covid-19) and the resulting restrictive containment measures implemented by the public authorities of the countries affected. In particular, on March 11, 2020, the World Health Organisation assessed that the Covid-19 outbreak could be considered a pandemic.

In the latest update of the "*World Economic Outlook*", the International Monetary Fund (IMF) further reduced its estimates of global GDP growth for the current year. As a result of the pandemic, the global economy is expected to contract 3% in 2020. According to a baseline scenario which expects the pandemic to recede in the second half of 2020 and the containment measures to be gradually lifted, the global economy is expected to grow 5.8% in 2021 as economic activity normalizes with the support of the respective governments.

These developments, which are extraordinary in nature and extent, are having very significant direct and indirect impacts on sectors such as tourism, transport, luxury goods, food consumption and services and the automotive sector although, more generally, are having repercussions on global economic activity and are creating an environment of general uncertainty the future course and effects of which are currently unforeseeable.

In this context, the Piovan Group has an international organizational structure based on the presence of subsidiaries with production sites on different continents and a global network providing technical and commercial assistance across all the areas in which the Group operates. This is an advantage in minimizing risks related to local markets and for tapping into opportunities.

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

Outlook

The circumstances resulting from the spread of COVID-19, , are having direct and indirect impact on the business creating a climate of general uncertainty and whose evolution and effects are unforeseeable. The potential effects may not be predicted to date and shall be constantly monitored for the remainder of the year by the Group. The company is closely monitoring this very delicate period aware that the coming months may be particularly difficult for the general economy.

In this context of mobility restrictions and general uncertainty, a slowdown in activity between second and third quarter of 2020 is likely to happen.

Not all business sectors will be impacted by this slowdown. It is expected that the medical and packaging sectors may benefit from the current situation. The geographical and sectorial diversification of Piovan Group should therefore allow a mitigation against the impact of the current crisis.

Subsequent events to March 31, 2020

No significant events occurred after March 31, 2020.

Group operating performance

(amounts in €'000)	Quarter ended 31st March				Changes	
	2020	% on total revenues	2019	% on total revenues	2020 vs 2019	%
Revenue	51,282	98.0%	57,025	98.3%	(5,743)	(10.1%)
Other revenue and income	1,045	2.0%	969	1.7%	76	7.8%
TOTAL REVENUE AND OTHER INCOME	52,327	100.0%	57,994	100.0%	(5,667)	(9.8%)
EBITDA	6,082	11.6%	6,501	11.2%	(419)	(6.4%)
OPERATING PROFIT	4,820	9.2%	5,227	9.0%	(407)	(7.8%)
PROFIT BEFORE TAXES	4,252	8.1%	5,348	9.2%		
Income taxes	1,607	3.1%	1,629	2.8%		
NET PROFIT	2,644	5.1%	3,719	6.4%		
Attributable to:						
Owners of the parent	2,743	5.2%	3,687	6.4%		
Non-controlling interests	(98)	-0.2%	32	0.1%		
Earnings per share	0.05		0.07			
Basic and diluted earnings per share (in Euros)	0.05		0.07			

* There are no non-recurring figures in the periods considered.

In the first three months of 2020, Piovan Group **total revenue and other income** amounted to Euro 52,327 thousand, down on Euro 57,994 thousand in the first three months of 2019 (-9.8%).

Piovan Group core revenue alone amounted to Euro 51,282 thousand, reducing on Euro 57,025 thousand in the first three months of 2019 (-10.1%).

In the first quarter of 2020, *Plastic* and *Food & non plastic* revenue slowed compared to the same period of 2019, while *Services* revenue increased on the same period of the previous year.

Revenue calculated on a like-for-like basis (i.e. at the first quarter of 2019 average exchange rate) would have improved by Euro 30 thousand, resulting in revenue of Euro 51,312 thousand and confirming a decrease of approx. 10% on the first quarter of 2019. Revenue was in fact mainly impacted by the positive effect from US dollar movements and a negative effect from Brazilian Reais movements.

EBITDA amounted to Euro 6,082 thousand, decreasing on Euro 6,501 thousand for the same period of the previous year (-6.4%).

EBITDA however improved as a percentage of total revenue, increasing from 11.2% as at March 31, 2019 to 11.6% as at March 31, 2020, due also to optimisation and cost reduction measures implemented in the first quarter of 2020.

The reduction in the absolute figure was mainly due to lower sales volumes.

Operating Profit amounts to Euro 4,820 thousand, down on Euro 5,227 thousand in the previous year (-7.8%).

The operating profit in percentage terms of total revenues and other income is 9.2%, compared to 9.0% in the comparative period.

The **net profit** was Euro 2,644 thousand, decreasing on Euro 3,719 thousand for the same period of the previous year. The margin on total revenue and other income was 5.1%.

Earnings per share was Euro 0.05 for Q1 2020, compared to Euro 0.07 in the same period of the previous year.

It should be noted that some financial information in this report illustrates intermediate profitability indicators, including the gross operating margin (EBITDA). EBITDA is considered by management as a key parameter for monitoring and assessing the Group's operating performance as it is not influenced by the effects of the different methods of determining taxable income, the amount and characteristics of the capital employed, as well as depreciation and amortization policies. This indicator, however, is not identified as an accounting measure within IFRS and therefore the criterion for its determination may not be uniform with other groups or companies.

Revenues by market and region

The breakdown of revenue by market is as follows:

Revenues by market	First quarter 2020	First quarter 2019 Restated*	First quarter 2019
<i>Plastic</i>	42,418	46,227	46,947
<i>Food & non plastic</i>	2,144	4,331	3,611
<i>Services</i>	6,720	6,467	6,467
Revenue	51,282	57,025	57,025

*the restated column incorporates the reclassification of a Plastic order to Food & non plastic, made for the 2019 half-year report.

Revenue by market indicates:

- *Plastic* revenue in the first quarter of 2020 decreased compared to the same period of the previous year; the reason for such trend is basically due to the restrictions imposed first in China and then in Europe arising from the spread of COVID-19
- *Food & non plastic revenue* in the first quarter of 2020 decreased mainly for the same reasons already highlighted for the Plastic area; however, compatibly with the COVID-19 restrictions, the positive orders backlog as at March 31, 2020 foresees an improvement in that market;
- *Services* market in the first quarter of 2020 reported revenue of Euro 6,720 thousand, up Euro 253 thousand on the same period of the previous year (+3.9%).

Structural growth in line with the Group's strategic plan continues.

The breakdown of revenue by region is as follows:

Revenues by region	First quarter 2020	First quarter 2019
EMEA	28,883	34,131
ASIA	7,197	8,252
NORTH AMERICA	12,637	12,016
SOUTH AMERICA	2,565	2,626
Revenue	51,282	57,025

The revenues trend in Asia is adversely affected by COVID-19 which forced the factory in China to close for two weeks (three weeks considering the Chinese New Year).

EMEA revenues were penalized by the mobility restrictions imposed from end of February, first in Italy and then in the rest of Europe, which slowed down and made more difficult to install delivered systems and also deliveries themselves.

Growth in North American market is to be noted.

With reference to South America, the results remained substantially stable thanks to the entry into the *Food & non-plastic* market, despite the presence of some negative effects attributable to the macroeconomic trend, in particular linked to the continuing difficulties in Brazil and Argentina.

Equity and Financial profile of the Group

Net financial position

€/000	31.03.2020	31.12.2019	31.03.2019
A. Cash	18	15	26
B. Current accounts and post office deposits	49,559	59,108	30,980
C. Cash & cash equivalent (A+B)	49,577	59,123	31,006
D. Current financial assets	6,100	6,319	6,250
E. Current bank loans and borrowings	(23,013)	(25,026)	(17,882)
F. Current portion of non-current debt	(11,954)	(11,961)	(5,996)
G. Other current financial liabilities	(127)	(189)	(320)
H. Current financial position (E+F+G)	(35,094)	(37,176)	(24,198)
I. Net current financial position (H+C+D)	20,583	28,267	13,057
J. Long term loans	(19,601)	(20,939)	(9,244)
K. Bond issued	-	-	-
L. Other non-current financial liabilities	(317)	(404)	(471)
M. Non-current financial position (J+K+L)	(19,918)	(21,343)	(9,715)
N. Net financial position (I+M) before IFRS16	665	6,924	3,342
€/000	31.03.2020	31.12.2019	31.03.2019
IFRS16 - Lease - impact	(7,937)	(7,864)	(5,671)
Current portion	(1,431)	(1,537)	(1,002)
Non-current portion	(6,507)	(6,327)	(4,669)
N. Net financial position (N+IFRS 16 impact)	(7,272)	(940)	(2,329)

The Group's net financial position before the IFRS 16 impact at March 31, 2020 was a cash position of Euro 665 thousand, compared to Euro 6,924 thousand at the end of December 2019, with net cash absorbed of Euro 6,259 thousand.

In this regard, the slowdown and/or non-completion of the installation activities, due to the COVID-19 mobility restrictions, prevented in certain cases the achievement of the contractual milestones required for a number of payment receipts from projects in progress. At the same time, payments to suppliers involved in these projects were made according to that originally agreed under contract, with consequent temporary absorptions of cash.

Compared to the end of March 2019, an absorption of net cash of Euro 2,677 thousand is observed, related to significant investments and non-recurring costs, in addition to the distribution of dividends for Euro 7.7 million in 2019.

In the first quarter 2020, investments totaled Euro 587 thousand.

The Group's net financial position (analyzed considering also the values from application of IFRS 16) at the end of March 2020 was a debt position of Euro 7,272 thousand, compared to Euro 940 thousand at the end of December 2019.

The financial position includes medium/long-term loans, mainly relating to the Parent Company, for Euro 30.5 million, of which Euro 11.8 million repayable within 12 months and the remainder Euro 18.7 million within 5 years. The loans are not supported by guarantees and are expressed in Euro.

In March and April 2020, the company benefitted from a moratorium on the medium/long-term loans, with a consequent extension of their duration up to a maximum of 12 months.

Net non-current assets

Net non-current assets represented by property, plant and equipment, intangible assets and equity investments, amounting to Euro 59,744 thousand, decreased Euro 465 thousand, on the one hand due to amortization and depreciation in the period, and on the other increasing on the basis of investments. The Group recognized to property, plant and equipment in 2019 approx. Euro 7.8 million of assets related to the right-of-use of Group assets on the basis of the relative lease contracts according to IFRS 16.

In addition, in 2018 and 2019, the Group has undertaken and completed a production expansion and technological upgrading project at its US facility, and at the Parent's Italian Headquarters, as described in greater detail in the Annual Financial Report at December 31, 2019.

<i>Net non-current assets (amounts in €'000)</i>	At 31st March 2020	At 31st December 2019
Property, plant and equipment	51,938	52,430
<i>of which Right of Use (IFRS 16 - Lease)</i>	7,849	7,788
Intangible assets	7,536	7,510
Equity investments	270	270
Net non-current assets	59,744	60,209

In applying the new IFRS 16-Leases at the transition date (January 1, 2019), and having chosen to adopt the "Modified Retrospective Method", the Group initially recognized a right-of-use on property, plant and equipment of Euro 5,866 thousand and, for the same amount a financial liability, as outlined in the annual financial report at December 31, 2018. This "right-of-use" was thereafter depreciated in 2019 and in the first quarter of 2020, on the basis of the individual contract.

In the first quarter of 2020, new amounts relating to the new long-term lease contracts signed during the period were added.

Reference should be made to the Annual Financial Report at December 31, 2019 for further details.

Investments

Total investments in the first quarter of 2020 amounted to Euro 587 thousand. Total non-recurring investments in property, plant and equipment in the first quarter of 2020 amounted to Euro 232 thousand.

Net trade capital and net working capital

<i>Net working capital (amounts in €'000)</i>	At 31st March 2020	At 31st December 2019
Trade receivables	46,947	52,816
Inventories	30,862	29,264
Contract assets for work in progress	5,102	3,712
Trade payables	(26,516)	(40,556)
Advance from customers	(18,161)	(16,063)
Contract liabilities for work in progress	(3,123)	(2,527)
Net trade capital	35,112	26,646
Tax receivables	3,129	3,735
Other current assets	4,877	3,705
Tax liabilities and social security contributions	(5,537)	(6,738)
Other current liabilities	(12,830)	(11,102)
Net working capital	24,750	16,246

Net Trade Capital increased if compared with December 31, 2019, for an amount of Euro 8.504 thousand, substantially linked to an increase in Net Commercial Capital. The latter is influenced by a more than proportional reduction in trade payables, compared to trade receivables, mainly due to the impact of COVID-19, as previously commented with regard to the net financial position.

Medium/long term liabilities

<i>Medium/long-term liabilities (amounts in €'000)</i>	At 31st March 2020	At 31st December 2019
Liabilities for employee benefits plans	4,842	4,814
Provision for risks and charges	2,844	2,954
Other non-current liabilities	240	268
Deferred tax liabilities	1,738	1,987
Medium/long-term liabilities	9,663	10,023

CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in Euro thousands)

ASSETS	Notes	31.03.2020	31.12.2019
NON-CURRENT ASSETS			
Property, plant and equipment	Note 1	51,938	52,430
Intangible assets	Note 2	7,536	7,510
Equity investments	Note 3	270	270
Other non-current assets	Note 4	408	427
Deferred tax assets	Note 5	4,264	4,489
TOTAL NON-CURRENT ASSETS		64,416	65,126
CURRENT ASSETS			
Inventories	Note 6	30,862	29,264
Contract assets for work in progress	Note 7	5,102	3,712
Trade receivables	Note 8	46,947	52,816
Current financial assets	Note 9	6,100	6,319
Tax receivables	Note 10	3,129	3,735
Other current assets	Note 11	4,877	3,705
Cash and cash equivalents	Note 12	49,577	59,123
TOTAL CURRENT ASSETS		146,595	158,675
TOTAL ASSETS		211,011	223,801

LIABILITIES AND EQUITY	Notes	31.03.2020	31.12.2019
EQUITY			
Share capital	Note 13	6,000	6,000
Legal reserve	Note 13	1,200	1,200
Reserve for own shares in portfolio	Note 13	(2,250)	(2,250)
Translation reserve	Note 13	(2,064)	(1,211)
Other Reserves and retained earnings	Note 13	57,603	38,938
Net profit (loss)	Note 13	2,743	18,700
Equity attributable to the owners of the parent		63,232	61,377
Equity attributable to non-controlling interests	Note 15	3,685	3,774
TOTAL EQUITY		66,917	65,151
NON-CURRENT LIABILITIES			
Long-term loans	Note 16	19,601	20,939
Non-current financial liabilities	Note 16	6,823	6,516
Employee benefits plans	Note 17	4,842	4,814
Provision for risks and charges	Note 18	2,844	2,954
Non-current liabilities for options granted to non-controlling investors	Note 19	2,535	2,535
Other non-current liabilities	Note 20	240	268
Deferred tax liabilities	Note 5	1,738	1,987
TOTAL NON-CURRENT LIABILITIES		38,622	40,013
CURRENT LIABILITIES			
Current portion of long-term loans	Note 16	11,954	11,962
Current bank loans and borrowings	Note 16	23,013	25,026
Current financial liabilities	Note 16	1,558	1,942
Trade payables	Note 21	26,516	40,556
Advance from costumers	Note 22	18,161	16,063
Contract liabilities for work in progress	Note 7	3,123	2,527
Current liabilities for options granted to non-controlling investors	Note 19	2,780	2,721
Tax liabilities and social security contributions	Note 23	5,537	6,738
Other current liabilities	Note 24	12,830	11,102
TOTAL CURRENT LIABILITIES		105,471	118,636
TOTAL LIABILITIES		144,093	158,650
TOTAL LIABILITIES AND EQUITY		211,011	223,801

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
(in Euro thousands)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS	Notes	31.03.2020	31.03.2019
Revenue	Note 25	51,282	57,025
Other revenue and income	Note 26	1,045	969
TOTAL REVENUE AND OTHER INCOME		52,327	57,994
Costs of raw materials, components and goods and changes in inventories	Note 27	19,292	22,870
Services	Note 28	11,766	12,652
Use of third party assets	Note 29	380	426
Personnel expenses	Note 30	14,230	14,868
Other expenses	Note 31	577	676
Provisions for risks and charges	Note 32	25	225
Amortisation and depreciation	Note 33	1,237	1,049
TOTAL COSTS		47,507	52,767
OPERATING PROFIT		4,820	5,227
Financial income	Note 34	122	175
Financial Expenses	Note 34	(362)	(264)
Net exchange rate gain (losses)	Note 35	(270)	211
Gains (losses) on liabilities for option granted to non controlling interest	Note 36	(59)	-
Profit (losses) from equity investments carried at equity	Note 37	-	-
PROFIT BEFORE TAXES		4,252	5,348
Income taxes	Note 38	1,607	1,629
NET PROFIT		2,644	3,719
ATTRIBUTABLE TO:			
Owners of the parent		2,743	3,687
Non-controlling interests		(98)	32
Earnings per share			
Basic and diluted earnings per share (in Euros)	Note 14	0.05	0.07

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(in Euro thousands)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31.03.2020	31.03.2019
Net profit	2,644	3,719
Items that may be subsequently reclassified to profit or loss:		
- Exchange rate differences	(843)	606
Items that may not be subsequently reclassified to profit or loss:		
- Actuarial gains (losses) on employee benefits net of the tax effect	(32)	(17)
- Actuarial gains on agents' termination benefits net of the tax effect	(3)	(10)
Total Comprehensive income	1,767	4,299
attributable to:		
- Owners of the parent	1,864	4,266
- Non-controlling interests	(98)	32

CONSOLIDATED STATEMENT OF CASH FLOWS
(in Euro thousands)

Consolidated Statement of Cash Flow	31.03.2020	31.03.2019
OPERATING ACTIVITIES		-
Net profit	2,644	3,719
Adjustments for:		
Amortisation and depreciation	1,237	1,049
Inventory write-down and bad debt provision	432	381
- Net non-monetary financial (income)	220	-
Change in provisions for risks and charges and employee benefits liabilities	(117)	26
Net capital (gains) losses on sale of fixed assets and equity investments	(8)	(2)
Non-monetary changes related to liabilities for options granted to non-controlling shareholders	59	-
Investment equity valuation	-	-
Other non-monetary variations	(98)	(18)
Taxes	1,607	1,629
Cash flows from operating activities before changes in net working capital	5,976	6,784
(Increase)/decrease in trade receivables	4,023	(807)
Increase in inventories	(2,981)	(613)
(Increase)/decrease in other current assets	(1,824)	(1,425)
Increase/(decrease) in trade payables	(11,713)	(8,445)
Increase/(decrease) in advance from customers	2,098	3,134
Increase/(decrease) in other current liabilities	167	4
(Increase)/decrease in non-current assets	282	680
Increase/(decrease) in non-current liabilities	(358)	(610)
Income taxes paid	(927)	(1,490)
CASH FLOWS FROM OPERATING ACTIVITIES (A)	(5,257)	(2,788)
INVESTING ACTIVITIES		
Investments in property, plant and equipment	(526)	(1,955)
Investments in intangible assets	(61)	(122)
Disinvestments/(investments) in financial assets	(0)	(6,250)
Disinvestments in equity investments	-	(92)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	(588)	(8,418)
FINANCING ACTIVITIES		
Issuance of bank loans	-	-
Repayment of bank loans	(1,346)	(1,516)
Change in current bank loans and borrowings	(2,013)	4,889
Repayment of bonds	-	-
Increase/(decrease) in other financial liabilities	(440)	(293)
Purchase of minority interests in subsidiaries	-	-
Contribution	-	-
Dividends paid	-	-
CASH FLOWS USED IN FINANCING ACTIVITIES (C)	(3,799)	3,080
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	(9,644)	(8,126)
EFFECT OF EXCHANGE RATE CHANGES ON BALANCE OF CASH HELD IN FOREIGN CURRENCY	98	18
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (E)	59,123	39,113
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (G=D+E+F)	49,577	31,006
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,644)	(8,125)
INTERESTS PAID	242	264

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(in Euro thousands)

	Share Capital	Legal reserve	Treasury shares	Translation reserve	Other reserves and retained earnings	Profit for the year att. to the owner of the parent	Equity attributable to the owners of the parent	Equity att. to non-controlling interests	TOTAL EQUITY
Balance at Jan, 1st, 2019	6,000	1,200	(2,250)	(1,594)	25,748	23,881	52,985	3,791	56,775
Distribution of dividends	-	-	-	-	-	-	-	-	-
Allocation of prior year profit	-	-	-	-	23,881	(23,881)	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	606	(28)	3,687	4,266	32	4,299
Balance at March 31st, 2019	6,000	1,200	(2,250)	(988)	49,601	3,687	57,251	3,822	61,074

	Share Capital	Legal reserve	Treasury shares	Translation reserve	Other reserves and retained earnings	Profit for the year att. to the owner of the parent	Equity attributable to the owners of the parent	Equity att. to non-controlling interests	TOTAL EQUITY
Balance at Jan, 1st, 2020	6,000	1,200	(2,250)	(1,211)	38,938	18,700	61,377	3,774	65,151
Distribution of dividends	-	-	-	-	18,700	(18,700)	-	-	-
Allocation of prior year profit	-	-	-	-	-	-	-	-	-
Change in translation reserve att. to non-controlling interests	-	-	-	(9)	-	-	(9)	9	-
Total comprehensive income	-	-	-	(843)	(35)	2,743	1,864	(98)	1,766
Balance at March 31st, 2020	6,000	1,200	(2,250)	(2,063)	57,603	2,743	63,232	3,685	66,917

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Group is composed by 30 companies on 4 continents as at March 31, 2020,, of which 8 production plants and 22 service and commercial companies.

Piovan S.p.A. received approval on October 5, 2018 from CONSOB for admission to listing of its shares on the Italian Stock Market, STAR segment. Trading of the shares on this market commenced on October 19, 2018.

Piovan S.p.A, as a listed company, is subject to Article 2.2.3 of the Stock Exchange regulation. According to this regulation, the company has prepared the Periodic Financial Statements at March 31, 2020, which were made available to the public.

These Periodic Financial Statements at March 31, 2020 were drawn up according to the IAS/IFRS accounting standards endorsed by the European Union. For the preparation of the Periodic Financial Statements at March 31, 2020, 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 accounting standards and policies adopted for the preparation of the Periodic Financial Statements at March 31, 2020 are in line with those used to prepare the consolidated financial statements at December 31, 2019, to which reference should be made.

The Periodic Financial Statements at March 31, 2020 include the results of the parent company and of the subsidiaries. These explanatory notes were prepared by the Board of Directors on the basis of the consolidation and accounting records updated to March 31, 2020.

Comparison is made with the statement of financial position at December 31, 2019 and with the statement of profit and loss and statement of comprehensive income, in addition to the statement of cash flow, for the first quarter of 2019.

Drafting criteria

The Periodic Financial Statements at March 31, 2020 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 1st, 2020 and March 31, 2020. The Periodic Financial Statements at March 31, 2020 have been prepared on the basis of the historical cost convention, with the exception of derivative financial instruments which have been recognized at fair value as required by IFRS 9 - "Financial Instruments", and on a going-concern basis. The Group considers - also in view of its strong competitive positioning, its high profitability and the solidity of its balance sheet and financial position - that it operates as a going concern as per paragraphs 25 and 26 of IAS 1.

The Periodic Financial Statements at March 31, 2020 have been drawn up in thousands of Euro, which is the "functional" and "presentation" currency of the Piovan Group in accordance with IAS 21 "Foreign currency transactions". There may be rounding differences when individual line items are added together as the individual line items are calculated in euro (rather than in thousands of euro).

The preparation of the Periodic Financial Statements at March 31, 2020 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 consolidated financial statements at December 31, 2019 with regards to the main areas requiring the use of estimates and assumptions.

Consolidation scope and basis

The Periodic Financial Statements at March 31, 2020 of the Piovan Group include the interim situations at March 31, 2020 of the parent company and those specifically prepared by the Italian and overseas subsidiaries.

Subsidiaries are those entities in which the Group exercises control, as defined by IFRS 10 - "Consolidated financial statements".

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

"Other information" paragraph, in the Explanatory Notes, outlines the companies included in the consolidation scope at March 31, 2020.

The consolidation criteria adopted to prepare these Periodic Financial Statements at March 31, 2020 are the same as those adopted and reported in the annual financial report at December 31, 2019.

The company decided not to proceed with the line-by-line consolidation of some investments in subsidiaries as they are not considered significant either individually or collectively and their recognition would not have any significant effect for the purposes of the correct representation of the statement of financial position, statement of profit and loss and financial position of the Group.

The subsidiaries excluded from consolidation are:

Company	% of ownership as at 31.12.2018	% of ownership as at 31.03.2020
Studio Ponte S.r.l. (*)	51%	51%
CMG America Inc.	100%	100%

(*) the share indicated represents the % held by the subsidiary Penta S.r.l.

Main accounting standards applied

In preparing these Periodic Financial Statements at March 31, 2020, the same accounting standards and policies used to prepare the annual financial report at December 31, 2019 were adopted and to which reference should be made.

In addition, with regards to the accounting standards applicable from January 1, 2020, and indicated in the annual financial report at December 31, 2019, no significant impacts were recorded.

Accounting policies

In preparing the Periodic Financial Statements at March 31, 2020, the same accounting policies as those adopted to prepare the Annual Financial Report at December 31, 2019 were adopted and to which reference should be made.

Conversion of the financial statements and of transactions in foreign currencies

The main exchange rates (currency for 1 Euro) used to translate the financial statements in currencies other than the Euro for the periods ended March 31, 2020, December 31, 2019 and March 31, 2019 (comparative data) are summarised below:

Currency		Average rate		Closing rate	
		31.03.2019	31.03.2020	31.12.2019	31.03.2020
BRL	Brazilian Real	4.2768	4.9111	4.5157	5.7001
CAD	Canadian Dollar	1.5098	1.4808	1.4598	1.5617
CZK	Czech Koruna	25.6842	25.6137	25.4080	27.3120
CNY	Yuan Renminbi	7.6619	7.6936	7.8205	7.7784
GBP	Pound Sterling	0.8723	0.8616	0.8508	0.8864
HUF	Forint	317.877	339.077	330.530	360.020
MXN	Mexican Peso	21.8038	22.0446	21.2202	26.1772
USD	US Dollar	1.1356	1.1023	1.1234	1.0956
THB	Baht	35.9063	34.4920	33.4150	35.9250
INR	Indian Rupee	80.0730	79.8511	80.1870	82.8985
TRY	Turkish Lira	6.1079	6.7391	6.6843	7.2063
AED	UAE Dirham	4.1707	4.0482	4.1257	4.0236
JPY	Yen	125.098	120.095	121.940	118.9000
VND	Dong	26,347.00	25,632.70	26,033.00	25,893.00
MAD	Dirham Marocco		10.6403	10.7810	11.0000
KRW	Won sud		1,315.90	1,296.28	1,341.00

Utilization of estimates

There were no changes to the main sources of uncertainty upon estimates compared to those reported in the consolidated financial statements at December 31, 2019.

Impairment test for goodwill

The Group tests goodwill for impairment at least once a year. For the purposes of this test, the recoverable value generated by the cash generating units was determined as value in use using the discounted cash flow method. The Piovani Group has prepared the impairment tests at December 31, 2019 and has not identified indicators of impairment requiring additional verifications at March 31, 2020.

INFORMATION ON RISKS AND FINANCIAL INSTRUMENTS

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. In particular, the Group is exposed to credit risk from commercial transactions, currency risk relating to transactions in currencies other than the functional currency and interest rate risk from the Group's exposure to variable rate loans. The Periodic Financial Statements at March 31, 2020 do not include all of the information

on financial risk management. There were no changes compared to that indicated in the Annual Financial Report at December 31, 2019 regarding the risks to which the Group is exposed and their management.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

[1] Property, plant & equipment

They amount to Euro 51,938 thousand at March 31, 2020 (Euro 52,430 thousand at December 31, 2019). They are composed as shown in the following tables, which show their composition and changes compared to the previous year.

CHANGES DURING THE PERIOD	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Total
Balance at 31st December 2019	37,537	9,713	696	4,231	252	52,430
of which:						
- Historical cost	42,070	18,688	4,631	17,265	252	82,906
- Depreciation fund	(4,534)	(8,975)	(3,935)	(13,034)		(30,478)
Changes in 2020						
- Additions	129	103	196	99		526
- New IFRS16 contracts	300			64		364
- Disposals (Historical cost)	(19)	5	(14)	(212)		(240)
- Disposals (Depreciation fun)	18	(2)	7	93		116
- Exchange rate differences (Historical cost)	(39)	53	(6)	(389)		(380)
- Exchange rate differences (depreciation fund)	(3)	(34)	4	284		252
- Depreciation	(235)	(228)	(70)	(293)		(826)
- Depreciation IFRS16	(221)			(83)		(304)
Balance at 31st March 2020	37,467	9,611	814	3,795	252	51,938
of which:						
- Historical cost	42,441	18,850	4,807	16,827	252	83,177
- Depreciation fund	(4,975)	(9,239)	(3,994)	(13,032)	-	(31,240)

As already described, since 2018 the Group has undertaken a production expansion and technological upgrading project at its US and Italian plants. In particular, in Italy, an expansion project was undertaken at the Parent Company's headquarters to build two separate buildings covering a total area of approximately 15,000 m² to be used as a logistics warehouse connected with the current production areas and a new production plant of the subsidiary Aquatech. The aim of the expansion project is to increase production efficiency and, above all, to increase production capacity to support production growth in line with the expected turnover growth in future years. The project in Italy was concluded in 2019. In the USA the completion of the new headquarters and the relocation took place during the second half of 2018.

Investments in the quarter mainly concern the Italian expansion project.

Increased rights-of-use of Euro 364 thousand were recognized due to the accounting as per IFRS 16 of the new long-term lease contracts signed in the first quarter of 2020.

At March 31, 2020, 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] Intangible assets

They amount to Euro 7,536 thousand at March 31, 2020 compared to Euro 7,510 thousand at December 31, 2019. The breakdown of the movements are as follows:

CHANGES DURING THE PERIOD	Goodwill	Industrial patent and intellectual property rights	Concessions, licences, trademarks and similar rights	Other intangible assets	Fixed assets under construction and advances	Total
Balance at 31st December 2019	6,745	620	46	78	20	7,510
Changes in 2020						
- Additions	-	39	1	21	-	61
- Consolidation area change	-	-	-	-	-	-
- Disposals	-	(3)	-	-	-	(3)
- Dismissioni (Fondo ammortamento)	-	1	-	-	-	1
- Exchange rate differences (Historical cost)	96	5	(1)	(89)	(4)	6
- Exchange rate differences (depreciation fund)	-	(5)	1	73	-	69
- Depreciation	-	(90)	(9)	(7)	-	(106)
Balance at 31st March 2020	6,841	566	38	75	16	7,536

Goodwill at March 31, 2020 amounted to Euro 6,841 thousand compared to Euro 6,745 thousand at December 31, 2019. The goodwill mainly refers to:

- the acquisition of the US subsidiary Universal Dynamics Inc. ("Unadyn") in 2008;
- the acquisition of a controlling interest in Penta S.r.l. at the end of 2014;
- the acquisition of the subsidiary Progema S.r.l. in 2016;
- the acquisition of Energys S.r.l. in 2016;
- the acquisition of FEA Process in 2019;
- the acquisition of Toba PNC in 2019.

Goodwill	31.12.2019	Increase	Decrease	Change in translation reserve	31.03.2020
UnaDyn	3,333			96	3,429

Penta and Progema	1,872				1,872
Energys	276				276
FEA	274				274
Toba Pnc	982				982
Other goodwill	8				8
Total	6,745	-	-	96	6,841

The Group has no goodwill which is tax deductible.

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

[3] Investments

At March 31, 2020, they amounted to Euro 270 thousand and remained unchanged on December 31, 2019.

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

Company	Registered office	%	31.12.2019	Increase / Decrease	31.03.2020
CMG S.p.A.	Budrio (BO)	20%	190	-	190
Studio Ponte S.r.l.	Poggio Renatico (FE)	51%	76	-	76
Penta Auto Feeding India Ltd	Navi Mumbai (India)	50%	-	-	-
Piovan Maroc Sarl.AU	Kenitra (Marocco)	100%	-	-	-
Other			4	-	4
Total			270	-	270

The investments in associated companies and joint ventures indicated in the table above have been measured using the equity method and a similar valuation method has been used with reference to certain investments in subsidiaries for which, as indicated in the section "*Basis of Consolidation*", the Directors decided not to proceed with full consolidation as they were not considered significant either individually or collectively.

With reference to the associate CMG S.p.A., it should be noted that this stake was acquired in 2015 through a contribution of a business unit that was subject to an expert's valuation and consequent capital increase in the associate. The initial book value is equal to the cost incurred for the acquisition, corresponding to the present value of the assets contributed on that date. The valuation using the equity method resulted in the recognition of a reduction in the value of the investment of Euro 76 thousand, calculated on the basis of the best estimates available to date. The Company holds the option to purchase a further 45% interest in CMG at a price equal to the fair value of the investment at the exercise date.

With reference to the investee Penta Auto Feeding India Ltd. it should be noted that the value of the investment has been reduced to zero and a risk provision of Euro 12 thousand at March 31, 2020 has also been set up as the shareholders' equity, at the date of the valuation, was negative for this amount.

With reference to the investee Studio Ponte S.r.l. the value of the investment has been restated and amounts to Euro 76 thousand as the shareholders' equity, at the date of the valuation, was positive for this amount.

On April 29, 2019, the subsidiary Universal Dynamics Inc. acquired 100% of CMG America Inc. for consideration of USD 1. The value of the investment did not change between the date of acquisition and March 31, 2020, as the equity of the company at the date of valuation was zero.

Although the company is a subsidiary, it was not consolidated on a line-by-line basis as not considered material; however, the valuation of this entity using the equity method obtained the same effects, albeit globally.

[4] Other non-current assets

At March 31, 2020, these amounted to Euro 408 thousand compared to Euro 427 thousand at December 31, 2019; they mainly refer to various security deposits paid by Group companies on utilities and lease contracts for buildings where Group companies have their headquarters.

[5] Deferred tax assets and liabilities

Deferred tax assets amounted to Euro 4,264 thousand at March 31, 2020, compared to Euro 4,489 thousand at December 31, 2019. 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.

[6] Inventories

At March 31, 2020, they amounted to Euro 30,862 thousand compared to Euro 29,264 thousand at December 31, 2019; the breakdown is shown below:

<i>Inventories</i>	31.03.2020	31.12.2019
Raw materials	5,640	4,571
Semi-finished products	14,820	13,356
Finished goods	13,245	14,175
Progress payments	794	468
Allowance for inventory write-down	(3,638)	(3,308)
Inventories	30,862	29,264

In the first quarter of 2020, inventories increased by Euro 1,928 thousand, gross of the obsolescence provision. The increase, principally regarding the Raw materials and Semi-finished products categories, mainly relates to normal operational developments. A provision for obsolete or slow-moving inventories is recorded to reflect the difference between the cost and estimated realizable value of obsolete raw materials, semi-finished and finished products. The provision in the statement of profit and loss is classified under Purchases of raw materials, components, goods and change in inventories.

[7] Assets and liabilities for contract work-in-progress

At March 31, 2020 the item *Assets for contract work-in-progress* amounted to Euro 5,102 thousand, compared with Euro 3,712 thousand at December 31, 2019.

Liabilities for contract work-in-progress amounted to Euro 3,123 thousand at March 31, 2020, compared with Euro 2,527 thousand at December 31, 2019. In particular, this refers to work-in-progress on contracts of the subsidiary Penta S.r.l..

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

<i>Contract assets for work in progress</i>	31.03.2020	31.12.2019
Measurement of contracts in progress (costs incurred added to profits recognized)	5,724	4,665
Progress payments received	(623)	(954)
Amounts due from customers	5,102	3,712

<i>Contract liabilities for work in progress</i>	31.03.2020	31.12.2019
Measurement of contracts in progress (costs incurred added to profits recognized)	1,104	2,688
Progress payments received	(4,227)	(5,215)
Amounts due to customers	(3,123)	(2,527)

The increase in *Assets for contract work-in-progress* compared to December 31, 2019 is due, on the one hand, to the higher number of contracts in progress and, on the other hand, to the fact that the progress of individual contracts is higher than the value of customer advances contractually agreed.

The increase in *Liabilities for contract work-in-progress* compared to December 31, 2019 is due both to a difference in the timing in the invoicing of customer advances and to the progress of the individual contracts.

Revenue from contract work-in-progress amounted to Euro 3,810 thousand in the first quarter of 2020 and mainly related to the subsidiary Penta S.r.l.

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

	31.12.2019	Decrease	Increase	31.03.2020
Contract assets for work in progress	3,712	(864)	2,253	5,102

	31.12.2019	Decrease	Increase	31.03.2020
Contract liabilities for work in progress	(2,527)	(1,496)	899	(3,123)

[8] Trade receivables

They amounted to Euro 46,947 thousand at March 31, 2020 compared to Euro 52,816 thousand at December 31, 2019. This item, which represents the exposure to third parties, is broken down as follows:

<i>Trade receivables</i>	31.03.2020	31.12.2019
Gross trade receivables	51,777	57,609
Provision for bad debt	(4,830)	(4,793)
Trade receivables	46,947	52,816

Gross receivables at March 31, 2020 decreased by approximately Euro 5.8 million following the contraction in revenue.

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

The doubtful debt provision reflects management's estimate based on the expected losses by the Company, based on past experience for similar receivables, current and historic amounts overdue, losses incurred, receipts, careful monitoring of the credit quality and projections on economic and market conditions, with the information known at the reporting date. These assessments do not take into account the impact of the Covid-19 emergency that emerged in the early months of 2020, which, however, cannot be determined. The annual provision is included under Other operating costs.

Movements on the provision for impairment of receivables during the year are shown below:

<i>Provision for bad debt</i>		
31.12.2019	4,793	3,480
Accruals	107	947
Utilisations	-	(136)
Change in consolidation area	-	382
Exchange rate differences	(70)	40
Riclassifications	-	80
31.03.2020	4,830	4,793

[9] Current financial assets

During the first quarter of 2019, the parent company Piovan S.p.A. invested approximately Euro 6,283 thousand of financial resources in 5 differing bond securities. These instruments were measured at fair value (level 1) as required by IFRS 9 and were classified as current

financial assets in line with the purpose of using part of the available liquidity in low-risk and readily available instruments.

The total effect of the fair value measurement in 2020 is a net gain of Euro 220 thousand. As a result of movements during the quarter, the value of securities at March 31, 2020 was Euro 6,100 thousand.

These valuations, as based on the fair values at March 31, 2020, do not take into account the impacts from the Covid-19 emergency emerging in the initial months of 2020 on the financial markets. The Group is monitoring these developments and to date the securities in portfolio have not suffered significant changes in fair value.

[10] Tax receivables

They amounted to Euro 3,129 thousand at March 31, 2020 compared to Euro 3,735 thousand at December 31, 2019.

VAT receivables mainly refer to the parent company Piovan S.p.A. and the subsidiaries Penta S.r.l. and Aquatech S.r.l..

Tax receivables	31.03.2020	31.12.2019
VAT receivables	2,749	3,259
Other current tax assets	380	475
Tax receivables	3,129	3,735

[11] Other current assets

They amounted to Euro 4,877 thousand at March 31, 2020, compared to Euro 3,705 thousand at December 31, 2019. A breakdown follows:

Other current assets	31.03.2020	31.12.2019
Advances to suppliers	2,095	1,798
Receivables from parent	275	279
Prepayments and accrued expenses	843	999
Other receivables	1,664	630
Other current assets	4,877	3,705

The item Receivables from parent companies includes receivables from the parent company Pentafin S.p.A. relating to IRES (corporate income tax) refund applications submitted by the tax consolidating company on behalf of Piovan S.p.A. with reference to the non-deduction of IRAP from taxable income for the years 2007-2011 (Law Decree 201 of 2011) and 2005-2007 (Law Decree 85 of 2008) for a value of Euro 275 thousand (unchanged on December 31, 2019).

The increase in "Other Receivables" includes the advance agreed with regards to the exercise of the put option on the residual 10% of the company Penta S.r.l..

[12] Cash and cash equivalents

They amount to Euro 49,577 thousand at March 31, 2020 compared to Euro 59,123 thousand at December 31, 2019.

Cash and cash equivalents	31.03.2020	31.12.2019
Current accounts and post office deposits	35,659	45,208
Cash equivalent	13,900	13,900
Cash	18	15
Cash and cash equivalents	49,577	59,123

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

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

At March 31, 2020, there were no restrictions on the availability of the Group's current accounts.

[13] Group shareholders' equity

Shareholders' equity is made up as follows:

Equity attributable to the owners of the parent	31.03.2020	31.12.2019
Share capital	6,000	6,000
Legal reserve	1,200	1,200
Reserve for own shares in portfolio	(2,250)	(2,250)
Translation reserve	(2,064)	(1,211)
Other Reserves and retained earnings	57,603	38,938
Net profit (loss)	2,743	18,700
Equity attributable to the owners of the parent	63,232	61,377

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.

There are no changes compared to December 31, 2019 and therefore the Company and the Group as at March 31, 2020 hold 2,670,700 treasury shares, equal to 4.98% of the share capital of Piovan S.p.A., directly through Piovan S.p.A. with a value of Euro 2,250 thousand at March 31, 2020.

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

The item Other reserves and undistributed profits mainly includes the other profit and capital reserves of the Parent Company, in addition to the consolidated profit for previous

years and the effects of adjustments resulting from the adoption of international accounting standards. This item changed during 2020 following the allocation of the previous year's result.

[14] Earnings per share

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

The average number of shares relevant for the calculation of earnings per share is 50,929,300 shares corresponding to existing shares (53,600,000) less the number of treasury shares in portfolio (2,670,700). Therefore, earnings per share calculations for all periods presented have been adjusted retrospectively and presented according to the new number of shares, taking into account the average number of treasury shares.

In particular, earnings per share was calculated, for all the periods presented, by dividing the net profit attributable to the shareholders of the Parent Company by the weighted average number of ordinary shares in circulation, the latter determined considering the increase in the number of shares as established by the above resolution and the reduction relating to treasury shares in portfolio. No ordinary shares were repurchased or issued during the years in question, nor are there any potential ordinary shares in circulation that could be converted with a dilutive effect.

Earnings per share are as follows:

Earnings per share	31.03.2020	31.12.2019
Net Profit Attributable to Owners of the Parent (in thousands of Euros)	2,743	18,700
Weighted average number of ordinary shares (in thousands of units)	50,929	50,929
Basic and dilutive earnings per share (in Euros)	0.05	0.37

[15] Minority interest shareholders' equity

The minority interest shareholders' equity at March 31, 2020 amounted to Euro 3,685 thousand compared to Euro 3,774 thousand at December 31, 2019. The account mainly includes the minority interests in the subsidiaries Penta S.r.l., Progema S.r.l., FDM GmbH, FEA and Toba.

Equity attributable to non-controlling interests						
31.12.2019	Net result	Other comprehensive income	Dividendi distribuiti	Change in reserve of translation	Change in consolidation area	31.03.2020
3,774	(98)			9		3,685

[16] Current and non-current financial liabilities

The account is broken down as follows:

Current financial liabilities	31.03.2020	31.12.2019
Short-term bank borrowings	23,013	25,026
Current portion of long-term loans	11,954	11,961
Loans for leases	127	404
Other loans and borrowings	1,431	1,538
Current financial liabilities	36,524	38,929

Non-current financial liabilities	31.03.2020	31.12.2019
Medium to long-term bank loans	19,601	20,939
Bonds	-	-
Loans for leases	317	189
Other loans and borrowings	6,507	6,327
Non-current financial liabilities	26,425	27,455

31.03.2020	Currency	Original amount	Maturity	Interest rate	Terms	Residual debt	Current	Non-current
Mediocredito II	EUR	5,000	30/09/2020	Variable	Euribor 3m +0,75%	667	667	0
Mediocredito III	EUR	8,000	30/09/2022	Variable	Euribor 6m+0,55%	4,000	1,600	2,400
Credem	EUR	6,000	05/04/2022	Fixed	0.48%	1,887	1,509	378
BNL II	EUR	7,500	06/12/2022	Fixed	0.50%	3,773	1,504	2,270
Credem II	EUR	7,000	03/05/2024	Fixed	0.54%	5,699	1,743	3,956
BNL III	EUR	3,000	13/12/2021	Variable	Euribor 6m+0,62%	3,000	2,000	1,000
Credit Agricole Friuladria	EUR	5,000	05/02/2025	Variable	Euribor 6m+0,65%	4,500	1,000	3,500
BNL IV	EUR	7,000	07/04/2024	Variable	Euribor 6m+0,85%	7,000	1,750	5,250
IBK I	KRW	870	25/09/2026	Fixed	3.85%	841	0	841
IBK II	KRW	149	09/03/2020	Fixed	2.09%	149	149	0
Others						39	33	6
Total		49,519				31,555	11,954	19,601

31.12.2019	Currency	Original amount	Maturity	Interest rate	Terms	Residual debt	Current	Non-current
Mediocredito II	EUR	5,000	30/06/2020	Variable	Euribor 3m +0,75%	667	667	0
Mediocredito III	EUR	8,000	31/03/2022	Variable	Euribor 6m+0,55%	4,000	1,600	2,400
Credem	EUR	6,000	05/04/2021	Fixed	0.48%	2,264	1,507	756

31.12.2019	Currency	Original amount	Maturity	Interest rate	Terms	Residual debt	Current	Non-current
BNL II	EUR	7,500	06/06/2022	Fixed	0.50%	3,773	1,504	2,270
Credem II	EUR	7,000	03/05/2023	Fixed	0.54%	6,133	1,741	4,393
BNL III	EUR	3,000	13/06/2021	Variable	Euribor 6m+0,62%	3,000	2,000	1,000
Credit Agricole Friuladria	EUR	5,000	05/08/2024	Variable	Euribor 6m+0,65%	5,000	1,000	4,000
BNL IV	EUR	7,000	07/10/2023	Variable	Euribor 6m+0,85%	7,000	1,750	5,250
IBK I	KRW	870	25/09/2026	Fixed	3.85%	870	0	870
IBK II	KRW	154	09/03/2020	Fixed	2.09%	154	154	0
Others						39	39	0
Total		49,524				32,900	11,961	20,939

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

It should be noted that at March 31, 2020 there were no secured loans.

The following tables detail the changes in current and non-current financial liabilities, representing both monetary and non-monetary movements:

Current financial liabilities	31.12.2019	Net cash flow	New borrowings	Change in consolidation scope	Increase for new rent/lease	31.03.2020
Short-term bank borrowings	25,026	(2,013)	-	-	-	23,013
Current portion of long-term loans	11,961	(7)	-	-	-	11,954
Other current financial liabilities	1,942	(470)	-	-	86	1,558
<i>Leasing liabilities</i>	404	(341)	-	-	64	127
<i>Rent liabilities</i>	1,538	(128)	-	-	22	1,431
Current financial liabilities	38,929	(2,490)	-	-	86	36,524

Non-current financial liabilities	31.12.2019	Net cash flow	New borrowings	Change in consolidation scope	Increase for new rent/lease	31.03.2020
Medium to long-term bank loans	20,939	(1,337)	-	-	-	19,601
Bonds	-	-	-	-	-	-
Other non-current financial liabilities	6,516	30	-	-	279	6,824
<i>Leasing liabilities</i>	189	128	-	-	-	317
<i>Rent liabilities</i>	6,327	(98)	-	-	279	6,507
Non-current financial liabilities	27,455	(1,308)	-	-	279	26,425

[17] Employee defined benefits

The account mainly includes liabilities that qualify as defined benefit plans in accordance with IAS 19 and have therefore been subject to actuarial calculation.

Compared to the actuarial assumptions outlined in the Explanatory Notes to the Annual Financial Report at December 31, 2019, no developments occurred which would require an update to the actuarial calculation and to the underlying assumptions.

[18] Provisions for risks and charges

The provision for risks and charges at March 31, 2020 amounted to Euro 2,844 thousand compared to Euro 2,954 thousand at December 31, 2019. The main changes concern the differences encountered in the translation of the values recognized in the Brazilian and US currencies.

The composition and the movements of the item are shown in the following table:

	31.12.2019	Accruals	Releases/ Reclassifications	Exchange rate differences	Actuarial gain or loss	31.03.2020
Provision for legal and tax risks	2,052	5	(4)	(128)	-	1,925
Provision for product warranties	705	13	(2)	-	-	716
Provision for agents' termination benefits	121	1	(2)	-	3	123
Pension provision	41	5	-	-	-	46
Provision for investments' losses	12	-	-	-	-	12
Other provisions for risks	23	-	-	-	-	23
Provisions for risks and charges	2,954	23	(8)	(128)	3	2,844

The provision for legal and tax risks at March 31, 2020 mainly includes:

- a provision of Euro 587 thousand of the subsidiary Penta S.r.l., accrued in previous years, against a legal dispute in course and which the subsidiary has assessed the risk of losing the case as probable;
- a provision of Euro 52 thousand of the subsidiary Piovan France Sas set aside in 2017 associated with the reorganization of the commercial network in the French market;
- a provision of Euro 499 thousand of the subsidiary Piovan Do Brasil was accrued in previous years against a potential liability that could arise as a result of a more restrictive interpretation of the tax regulations for the calculation of taxes. The subsidiary appointed highly qualified tax consultants to analyse the case and quantification of the accrual. The value of this provision at March 31, 2020, on the one hand, decreased due to the appreciation of the local Brazilian currency against the Euro for Euro 130 thousand and, on the other hand, increased due to the accrual in the first quarter for Euro 5 thousand;
- a provision set aside in 2018 for a total amount at December 31, 2019 of USD 336 thousand (Euro 306 thousand) against a potential liability linked to indirect taxation in various states;

- a provision of Euro 345 thousand set aside in 2018 which represents the best estimate of potential charges related to the commercial activities of Piovan S.p.A. and Penta S.r.l.

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

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

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

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

The items in question refer to liabilities for put options and commitments issued to the minority shareholders of Penta S.r.l., FEA and Toba.

At the end of December 2014 Piovan S.p.A. took control of Penta S.r.l. through the acquisition of 51% of its capital. Moreover, under the same acquisition agreement, Piovan S.p.A.:

- had undertaken the commitment to acquire (hereinafter the "Commitment"), and the seller (hereinafter the "Seller") the commitment to sell, a further 14% stake in the company. The purchase of this second closing took place in 2016;
- granted to the seller a put option on a 35% stake in Penta S.r.l. (hereinafter the "Put Option") which gave the seller the unconditional right to sell to Piovan S.p.A. at a price defined by a formula based on the average economic and financial indicators taken from Penta S.r.l.'s financial statements prepared in accordance with GAAP.

After analysis of the purchase contract, the Directors established that control of Penta S.r.l. was acquired when the Group purchased the 51% stake in the subsidiary. At the transition date to international accounting standards, the Commitment and the Put Option were recognized as liabilities against a similar entry in the Group's shareholders' equity, as they related to minority interests that would have been taken over only after the acquisition of control with the purchase of 51% of the company (thus qualifying them as transactions between shareholders).

In April 2015, following the entry onto the board of directors of Penta S.r.l. of a new manager, this latter acquired from the seller, a minority stake of 10%. At the same time, Piovan S.p.A. granted this new minority shareholder a put option (or "Put Option 2") in relation to this stake in Penta S.r.l., exercisable during the period from January 1, 2020 to December 31, 2022. The exercise price is defined by a formula based on economic and financial indicators of the financial statements of Penta S.r.l. prepared in accordance with Italian GAAP and available at the date the option is exercised (2020-2022). The Put Option therefore remained for a 25% stake.

With reference to the 25% Put Option, Piovan S.p.A. signed a sales/purchase agreement with 3B Inc. S.r.l. (formerly 3B Immobiliare S.r.l.) on September 7, 2018 for the purchase of 25% of Penta S.r.l.. The contract governed the manner, terms and conditions of the sales/purchase agreement and provided for the resolution - by mutual consent of the parties - of the Put Option in addition to the simultaneous transfer of the shares it holds.

At December 31, 2019, the liability relating to Put Option 2 on the remaining 10% stake in Penta S.r.l. was still outstanding. In January 2020, the minority shareholder and Penta S.r.l. signed an agreement which modified the exercise period of Put Option 2, with the other conditions unchanged. This option is to be exercised between August 1, 2020 and September 30, 2020.

For the purposes of preparing the financial statements at December 31, 2019, the liability was determined by applying the contractual formula to the economic and financial data available. The adjustment of this value led to a reduction in the liability and the consequent recognition of income of Euro 464 thousand in the statement of profit and loss.

At March 31, 2020, this liability was updated on the basis of the updated available financial data. The adjustment resulted in an increase in liabilities, with the consequent recognition to the statement of profit and loss of a charge of Euro 59 thousand.

As previously illustrated, in July 2019, Piovan S.p.A. finalized the acquisition of 51% of the share capital of FEA and TOBA. The contracts relating to both acquisitions include the possibility for minority shareholders to exercise a put option and Piovan S.p.A. to exercise a call option on the shares of minority shareholders. Specifically:

- FEA shareholders may exercise a put option on all, and not part, of their share capital in the period between 30.04.2022 and 30.04.2024. Piovan S.p.A., on the other hand, may exercise a call option - also in a single transaction and in the period between 30.04.2022 and 30.04.2024 - on the 12% of share capital held by FEA's historic shareholders, according to certain economic and financial parameters defined in the agreements between the parties;
- ToBaPNC shareholders may exercise a put option on their shares up to 49% of the share capital in the period between 01.01.2023 and 31.12.2024, in one or more tranches and Piovan S.p.A. may exercise a call option with the same characteristics, options exercisable according to certain economic and financial parameters defined in the agreements between the parties.

A liability relating to these put options was recognized at the acquisition date of the investee companies. In order to determine the value of this liability, the Parent Company estimated the economic and financial data used as the basis of the formula contractually agreed and described above and this value was discounted. This value was recorded under "Non-current liabilities for options granted to minority shareholders" with a similar entry in the Group's shareholders' equity, as they related to minority interests that would have been taken over only after the acquisition of control of the company (thus qualifying them as transactions between shareholders).

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

to the inherent uncertainty that characterizes the assumptions and conditions on which these estimates are based.

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

As stated previously, the available estimates and forecasts at the reporting date and utilized for the valuation do not take into account the impacts that the Covid-19 emergency which emerged in the initial months of 2020 may have on the operating performances of the companies to which these options relate. Any future impacts related to this emergency on the other hand may have an effect of reducing the liabilities for options.

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

[20] Other non-current liabilities

At March 31, 2020, these amounted to Euro 240 thousand compared to Euro 268 thousand at December 31, 2019, and are represented by tax payables of the subsidiaries Piovan Do Brasil and FEA Process S.r.l.

[21] Trade payables

They amounted to Euro 26,516 thousand at March 31, 2020, compared to Euro 40,556 thousand at December 31, 2019. Trade payables originate from the different payment terms negotiated with suppliers, which vary according to the various countries in which the Group operates. The movement in this item if compared with December 31, 2019, derives from the normal fluctuation in different quarters in relation to the business activities of the various companies.

[22] Advances from customers

At March 31, 2020, *Advances from customers* amounted to Euro 18,161 thousand, compared to Euro 16,063 thousand at December 31, 2019. This item refers to advances received by the Group and relating to contracts where performance obligations are met at a point in time.

[23] Tax payables and social security institutions

They amount to Euro 5,537 thousand at March 31, 2020, compared to Euro 6,738 thousand at December 31, 2019. The account is broken down as follows:

	31.03.2020	31.12.2019
Social security contributions	2,607	3,124
VAT liabilities	1,416	1,264
Tax withholdings for employees	997	1,471
Income tax liabilities (IRES and IRAP)	348	589
Other	170	290
Tax liabilities and social security contributions	5,537	6,738

[24] Other current liabilities

They amounted to Euro 12,830 thousand at March 31, 2020, compared to Euro 11,102 thousand at December 31, 2019. The account is broken down as follows:

	31.03.2020	31.12.2019
Payables to employees	6,295	5,932
Payables to parent company	2,019	822
Accrued income and deferred expense	2,622	2,369
Other payables	1,894	1,979
Other current liabilities	12,830	11,102

Employee payables refer to wages and salaries and accruals for vacation and leave accrued. Payables to parent companies mainly refer to the parent company Piován S.p.A. and derive from the tax consolidation contract in place with the parent company Pentafin S.p.A.

EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS

[25] Revenue

Revenue amounts to Euro 51,282 thousand for the first quarter of 2020, compared to Euro 57,025 for the first quarter of 2019 (-10.1%).

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:

Revenues by market	First quarter 2020	First quarter 2019 Restated*	First quarter 2019
<i>Plastic</i>	42,418	46,227	46,947
<i>Food & non plastic</i>	2,144	4,331	3,611
<i>Services</i>	6,720	6,467	6,467
Revenue	51,282	57,025	57,025

*the restated column incorporates the reclassification of a Plastic order to Food & non plastic, made for the 2019 half-year report.

Part of the revenue of the Plastic Systems and the Food and non plastics Systems markets derive from contracts with customers where the performance obligations, as well as the recognition of the related revenues, are met over time, as described in the section "Accounting policies" of the consolidated financial statements at December 31, 2019. This revenue amounted to Euro 3,810 thousand in the first quarter of 2020, compared to Euro 6,802 thousand in the first quarter of 2019. Such revenues mainly relate to the subsidiary Penta S.r.l..

The breakdown of revenue by region is as follows:

Revenues by region	First quarter 2020	First quarter 2019
EMEA	28,883	34,131
ASIA	7,197	8,252
NORTH AMERICA	12,637	12,016
SOUTH AMERICA	2,565	2,626
Revenue	51,282	57,025

Revenue in EMEA include revenue in Italy which amounted to Euro 7,709 thousand in the first quarter of 2020 and Euro 9,714 thousand in the first quarter of the previous year.

For more information, refer to the comment in the section "Group economic performance".

[26] Other revenue and income

Other revenue amounts to Euro 1,045 thousand, increasing Euro 76 thousand compared to the first quarter of 2019 and which break down as follows:

	First quarter 2020	First quarter 2019
Accessory transport services for sales	655	648
Machinery rent	5	18
Grants related to income	78	103
Gains for disposal of tangible and intangible assets	58	-
Recharges to suppliers	38	-
Insurance compensation	18	26
Agency commissions	2	30
Sale of scrap materials	17	7
Increase in fixed assets for internal works	53	73
Other	122	65
Other revenue and income	1,045	969

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

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

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

Other Revenue mainly includes recharges and penalties applied to customers.

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

This item amounted to Euro 19,292 thousand in the first quarter of 2020, compared with Euro 22,870 thousand in the comparative period. This item is broken down as follows:

	First quarter 2020	First quarter 2019
Costs of raw materials, components and goods	21,032	21,803
Costs of consumables	837	906
Change in raw materials and goods	(1,040)	(1,730)
Change in finished goods and semi-finished products	(1,538)	1,892
Costs of raw materials, components and goods and changes in inventories	19,292	22,870

The decrease in purchases of raw materials, components and goods follows the decrease in sales and the sales mix effect.

[28] Service costs

Service costs amounted to Euro 11,766 thousand in 2020, compared with Euro 12,652 thousand in 2019, down Euro 7.0%.

This item is broken down as follows:

	First quarter 2020	First quarter 2019
Outsourcing	5,125	5,737
Transport	1,610	1,564
Business trips and travel	833	1,012
Agency commissions	714	830
Fees to directors, statutory auditors and independent auditors	469	503
Consultancies	723	722
Maintenance and repairs	492	420
Marketing and advertising	405	418
Utilities	349	353
Insurance	278	297
Telephone and connections	127	146
Other costs for services	641	650
Services	11,766	12,652

Most significant amounts refer to the parent company Piovan S.p.A., Universal Dynamics Inc. and Penta S.r.l.

The largest cost items, in particular from an industrial process point of view, are referred to:

- outsourcing costs amounting to Euro 5,125 thousand in the first quarter of 2020 (43.6% 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 quarter of 2019, this item amounted to Euro 5,737 thousand (45.3% of total *Service Costs*). It should be noted that the weight of the external works as a percentage of the turnover is substantially stable due to the lower weight of the external installations for some projects compared to the previous quarter;
- transport costs on purchases and sales, which increase is connected to the trend of the business value does not differ significantly from the same quarter of last year.;
 - travel and accommodation relating to both commercial activities and customer relations, and travel to customers' production sites to carry out installation and start-up and customer assistance.

[29] Rental, leasing and similar costs

Rental, leasing and similar costs amounted to Euro 380 thousand, compared with Euro 426 thousand for the first three months of 2019.

This item is broken down as follows:

	First quarter 2020	First quarter 2019
Rental expenses	136	195
Leases	101	97
Hires	142	135
Use of third party assets	380	426

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

The amounts for “rental, leasing and similar costs” concern contracts which were excluded from the scope of this standard.

[30] Personnel expense

Personnel expense amounted to Euro 14,230 thousand, compared with Euro 14,868 thousand in the first quarter of 2019. A breakdown of personnel expenses and the workforce by category is provided below:

	First quarter 2020	First quarter 2019
Wages and salaries	10,723	11,250
Social security contributions	2,966	3,171
Costs for defined benefit plans	330	287
Other expenses	211	159
Personnel expenses	14,230	14,868

	First quarter 2020		First quarter 2019 Restated*		First quarter 2019	
	period end	average	period end	average	period end	average
Managers	27	28	28	28	33	33
Junior managers	59	59	61	60	58	57
White collars	582	584	585	584	584	583
Blue collars	374	382	388	386	387	385
Total	1,042	1,053	1,062	1,058	1,062	1,058

**the restated column reflects a reclassification between categories with regards to a Group company, made in the 2019 half-year report.

It should be noted that the workforce of the Group collaborators decreased compared to March 31, 2019.

[31] Other operating costs

This item amounted to Euro 577 thousand compared with Euro 676 thousand in the previous year. This item is broken down as follows:

	First quarter 2020	First quarter 2019
Other taxes and duties	285	230
Bad debt provision	106	257
Entertainment costs	82	92
Other	104	97
Other expenses	577	676

Other taxes and duties mainly include indirect taxes on property and local taxes in the various countries and in particular in Brazil and China.

[32] Provisions for risks and charges

Provisions in the first three months of 2020 amounted to Euro 25 thousand compared to Euro 225 thousand in the previous year.

In 2020, the provision is mainly related to legal and tax risks as further described in note [18].

[33] Amortization, depreciation and write-downs

This item amounted to Euro 1,237 thousand, compared with Euro 1,049 thousand in the first quarter of 2019. This item is broken down as follows:

	First quarter 2020	First quarter 2019
Amortisation	106	74
Depreciation	827	662
Right of Use depreciation (IFRS16)	304	314
Depreciation & amortisation	1,237	1,049

The increase in the item substantially concerns the increased amortization and depreciation in the first quarter with regards to the new logistics hub and concluded in the fourth quarter of 2019 and the new rights of use added, based on the requirements of IFRS 16, from April 1, 2019 to March 31, 2020

[34] Financial income and expenses

The item totaled a negative Euro 240 thousand in the first three months of 2020, compared to a negative Euro 89 thousand in the same period of the previous year.

The item includes interest income and financial charges from the valuation of securities as further described in note [9] relating to investments of liquidity.

[35] Exchange gains/(losses)

The item amounted to a negative Euro 270 thousand in the first three months of 2020, compared to a positive Euro 211 thousand in the same period of 2019. This item is broken down as follows:

	First quarter 2020	First quarter 2019
Exchange rate gains	1,704	682
Exchange rate losses	(1,974)	(472)
Net exchange rate gain (losses)	(270)	211

Unrealised foreign exchange gains included under *Foreign Exchange gains* amounted to Euro 1,350 thousand in first three months 2020 (79% of foreign exchange gains for the period) and Euro 443 thousand in the first three months of 2019 (65% of foreign exchange gains for the period).

Unrealised foreign *Exchange losses* included under *Foreign exchange losses* amounted to Euro 1,974 thousand in the first three months of 2020 (86% of foreign exchange losses for the year) and Euro 249 thousand in the first three months of 2019 (53% of foreign exchange losses for the year). Net exchange losses of Euro 270 thousand were reported in the first three months of 2020, deteriorating on the preceding period.

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

The item relates to the valuation of the liabilities for put options of the Penta minorities. The amount for the first quarter of 2020 refers to the adjustment of the liability according to the updated figures. For further information, reference should be made to Note [19].

[37] Gains/(Losses) from investments measured at equity

The account relates to the valuation of profits or losses from the valuation at equity of non-consolidated investments. The valuations did not change compared to December 31, 2019.

[38] Income Taxes

The item amounted to Euro 1,607 thousand in the first three months of 2020, compared to Euro 1,629 thousand in the first quarter of 2019. Income taxes have been determined taking into account the best estimate of the average annual tax rate expected for the whole year.

Other information

Segment reporting

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

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

Classes of financial instruments and fair value hierarchy

With reference to the breakdown of financial assets and liabilities required by IFRS 7, there were no transfers between the fair value levels indicated in IFRS 13 and those reported in the Annual Financial Report at December 31 2019, to which reference should be made for further information.

Related party transactions

During 2020 and 2019, 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. With regards to the balances for the previous year, reference should be made to the Annual Financial Report at December 31, 2019, while with regards to the March 31, 2020 figures, there are no transactions and balances of significant amounts with the exception of the tax consolidation payable due to Pentafin S.p.A. described in note [24] and the IRES (corporate income tax) refund receivable due from Pentafin S.p.A. as described in note [11].

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

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

Company name	Registered office	Country	Currency	Share capital at 31/03/2020	% shareholding	Shares held		Consolidation method
						Shareholder	r-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	99.99%	Piovan S.p.A.		Full
Piovan Mexico S. A.	Queretaro (MX)	Messico	MXN	706,540	99.99%	Piovan S.p.A.		Full
Piovan Central Europe GmbH	Brunn am Gebirge (A)	Austria	EUR	35,000	100.00%	Piovan S.p.A.		Full
Piovan UK Ltd	Bromsgrove (GB)	Regno Unito	GBP	25,000	100.00%	Piovan S.p.A.		Full
Piovan Czech Republic s.r.o.	Praga (CZ)	Repubblica Ceca	CZK	200,000	100.00%	Piovan Central Europe GmbH (90%)		Full
						Piovan S.p.A. (10%)		
Piovan France Sas	Chemin du Pognat (F)	Francia	EUR	1,226,800	100.00%	Piovan S.p.A.		Full
Universal Dynamics Inc.	Fredericksburg, Virginia (U.S. A.)	USA	USD	3,500,000	100.00%	Piovan S.p.A.		Full
Piovan GmbH	Garching (D)	Germania	EUR	102,258	100.00%	Piovan S.p.A.		Full
Piovan Canada Ltd	Mississauga - Ontario (CAN)	Canada	CAD	10	100.00%	Piovan S.p.A.		Full
Piovan Asia Pacific Ltd	Bangkok (TH)	Tailandia	THB	8,010,000	100.00% (*)	Piovan S.p.A.		Full
FDM GmbH	Troisdorf (DE)	Germania	EUR	75,000	66.67%	Piovan S.p.A.		Full
Piovan Muhendalik Ltd	Beikoz (TR)	Turchia	TRY	10,000	100.00%	Piovan S.p.A.		Full
Penta S.r.l.	Ferrara (IT)	Italia	EUR	100,000	90.00%	Piovan S.p.A.		Full
Energys S.r.l.	Venezia (IT)	Italia	EUR	10,000	100.00%	Piovan S.p.A.		Full
Piovan Japan Inc.	Kobe (J)	Giappone	JPY	6,000,000	100.00%	Piovan S.p.A.		Full
Piovan Gulf FZE	Dubai (UAE)	Emirati Arabi	AED	1,000,000	100.00%	Piovan S.p.A.		Full
Aquatech S.r.l.	Venezia (IT)	Italia	EUR	40,000	100.00%	Piovan S.p.A.		Full
Piovan Vietnam Company Ltd	Mai Chi Tho (Vietnam)	Vietnam	VND	1,136,500,000	100.00%	Piovan S.p.A.		Full
Progema S.r.l.	San Felice sul Panaro (MO)	Italia	EUR	25,000	81.00%	Penta S.r.l.		Full

Company name	Registered office	Country	Currency	Share capital at 31/03/2020	% shareholding	Shares held	Consolidation method
						Shareholder-Partner	
Piovan Hungary Kft	Budapest	Ungheria	HUF	3,000,000	100.00%	Piovan Central Europe GmbH	Full
Piovan Maroc Sarl. AU	Kenitra	Marocco	MAD	1,000,000	100.00%	Piovan S.p.A.	Full
FEA Process&Technological Plants S.r.l.	Scarnafigi (CN)	Italia	EUR	20,400	51.00%	Piovan S.p.A.	Full
Studio Ponte S.r.l.	Poggio Renatico (FE)	Italia	EUR	10,000	51.00%	Penta S.r.l.	Equity method
Penta Auto Feeding India Ltd	Navi Mumbai (India)	India	INR	10,000,000	50.00%	Penta S.r.l.	Equity method
Piovan South Est Asia Ltd (in liquidazione)	Bangkok (Tailandia)	Tailandia	THB	9,000,000	100.00%	Piovan S.p.A.	Equity method
CMG America Inc.	Clio	Michigan	USD	70,000	100.00%	Piovan S.p.A.	Equity method
TOBA PNC	Seoul	Corea del Sud	KRW	500,000,000	51.00%	Piovan S.p.A.	Equity method
Equity investments in affiliated companies:							
CMG S.p.A.	Budrio (BO)	Italia	EUR	1,250,000	20%	Piovan S.p.A.	Equity method

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

Subsequent events to the end of the period

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

Santa Maria di Sala (Venice), May 14, 2020

On behalf of the Board of Directors

The Chairman
Nicola Piovan

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

The undersigned Marco Mammano, General Manager & Director of the Piovan Group, as Executive Officer for financial reporting, states that the Periodic Financial Statements at March 31, 2020 correspond to the underlying accounting documents, records and entries.

The Executive Officer for Financial Reporting
Marco Mammano



Periodic financial statements of

Piovan S.p.A.

PIOVAN S.p.A.

Via delle Industrie 16 – 30036

S. Maria di Sala VE - Italy