ANNUAL FINANCIAL REPORT

DECEMBER 31, 2021

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LETTER TO SHAREHOLDERS

Dear Shareholders,

2021 was a particularly important year in the history of our Group, not only for the outstanding results delivered in terms of revenues, profitability, cash flow generation and profit, but also for the acquisition of Luminex Corporation -the largest ever made by DiaSorin- completed in July.

Against this challenging backdrop marked by the COVID-19 pandemic, our Company remained true to the desire to expand our technology and commercial offering, both through the ongoing commitment of our researchers, and thanks to partnerships with innovative in vitro diagnostics companies.

The strengthening of DiaSorin's role as a diagnostic specialist and a global player was a significant input towards the Luminex acquisition, a leading company in the fields of multiplexing molecular diagnostics and Life Science. This event marked the beginning of DiaSorin’s new business cycle that was presented in December during the Investor Day 2021 along with several projects, which the Management is very proud of, and that will drive the Group towards an even stronger growth in the next 4 years.

The role of "Specialist" was also confirmed by the development and launch of nearly 30 immunodiagnostic and molecular diagnostic products over the last 3 years. In 2021, in particular, we launched several products with top-quality partners in terms of innovation and technology. Among these, the test for the early diagnosis of Lyme disease, developed in partnership with Qiagen, the launch of the LIAISON® IQ platform, with the first two tests for detection of specific antibodies against SARS-CoV-2 and diagnosis of COVID-19 infection and the launch of the MeMed BV® test for differentiation between bacterial and viral infections, which are the result of the innovative approach to diagnostics of the Israeli MeMed company.

Aware of the crucial role that diagnostics and research play in a complex global scenario where the pandemic has not yet been defeated, DiaSorin enters 2022 with significant and increasingly ambitious projects in the diagnostic and Licensed Technologies sectors. This new business area resulting from the Luminex acquisition supports DiaSorin’s access to scientific research and expands engagement with diagnostic players or international pharma companies, providing further growth opportunities on a global scale.

In a year so full of events, it is my duty to thank, once again, the Group’s management who tackled the challenges and opportunities of the past year with an entrepreneurial spirit, along with the over 3,300 people who, through their extraordinary work, make DiaSorin a global and innovative excellence.

Last but not least, Dear Shareholders, let me express my gratitude to you for your trust that inspires us to always do better, consolidating the important role the DiaSorin Group plays worldwide in the healthcare sector and touching, every year, millions of lives with its specialty products and solutions.

The Chairman

Gustavo Denegri

REPORT ON OPERATIONS

DIASORIN WORLD

1. BOARD OF DIRECTORS & CONTROL BODIES

BOARD OF DIRECTORS (appointed on April 24, 2019)	
Chairman	Gustavo Denegri
Deputy Chairman	Michele Denegri
Chief Executive Officer	Carlo Rosa (1)
Directors	Giancarlo Boschetti Stefano Altara Chen Menachem Even Franco Moscetti (2) Giuseppe Alessandria (2) (3) Roberta Somati (2) Fiorella Altruda (2) Francesca Pasinelli (2) Monica Tardivo (2) Luca Melindo Tullia Todros (2) Elisa Corghi (2)
BOARD OF STATUTORY AUDITORS	
Chairman	Monica Mannino
Statutory Auditors	Ottavia Alfano Matteo Michele Sutera
Alternates	Romina Guglielmetti Cristian Tundo
INDEPENDENT AUDITORS	PricewaterhouseCoopers S.p.A.
COMMITTEES	
Control, Risk and Sustainability Committee	Franco Moscetti (Chairman) Giancarlo Boschetti Roberta Somati
Compensation and Nominating Committee	Giuseppe Alessandria (Chairman) Michele Denegri Elisa Corghi
Related-Party Committee	Franco Moscetti (Chairman) Giuseppe Alessandria Roberta Somati

(1) General Manager
(2) Independent Director
(3) Lead Independent Director

2. DIASORIN WORLDWIDE

Italian company listed in the **FTSE MIB** index

INNOVATION

more than 400 people dedicated to **research and development of innovative solutions**

INTERNATIONAL

direct presence in 24 countries and through distributors in 93 countries

SPECIALIST[3]

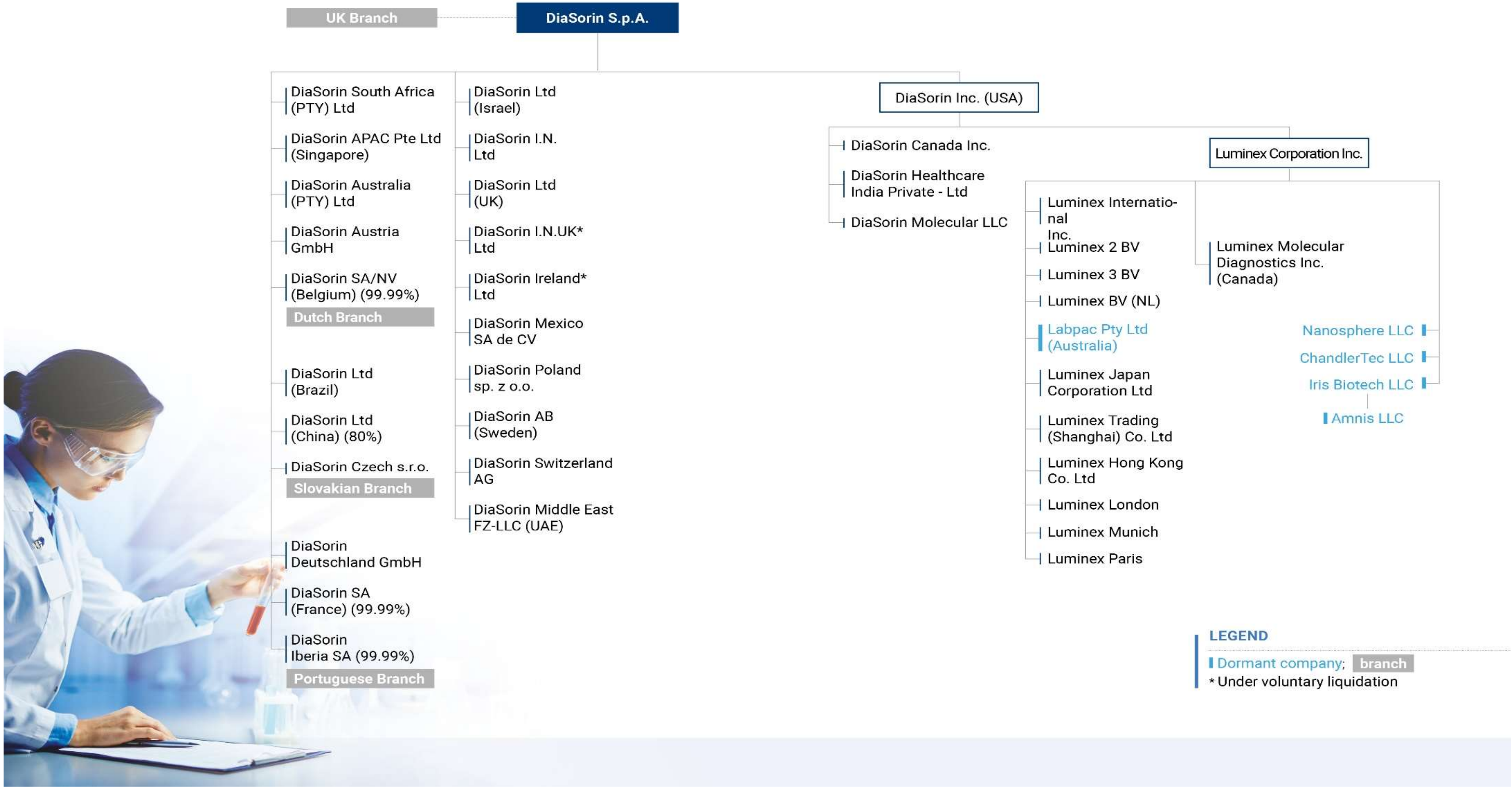
Luminex Acquisition

43 companies	4 branches	10 manufacturing facilities	9 R&D Centres	3358 employees

LEGEND

R&D Centres | Production Sites | R&D Centres - Production Sites
Direct Presence | Countries served through distributors

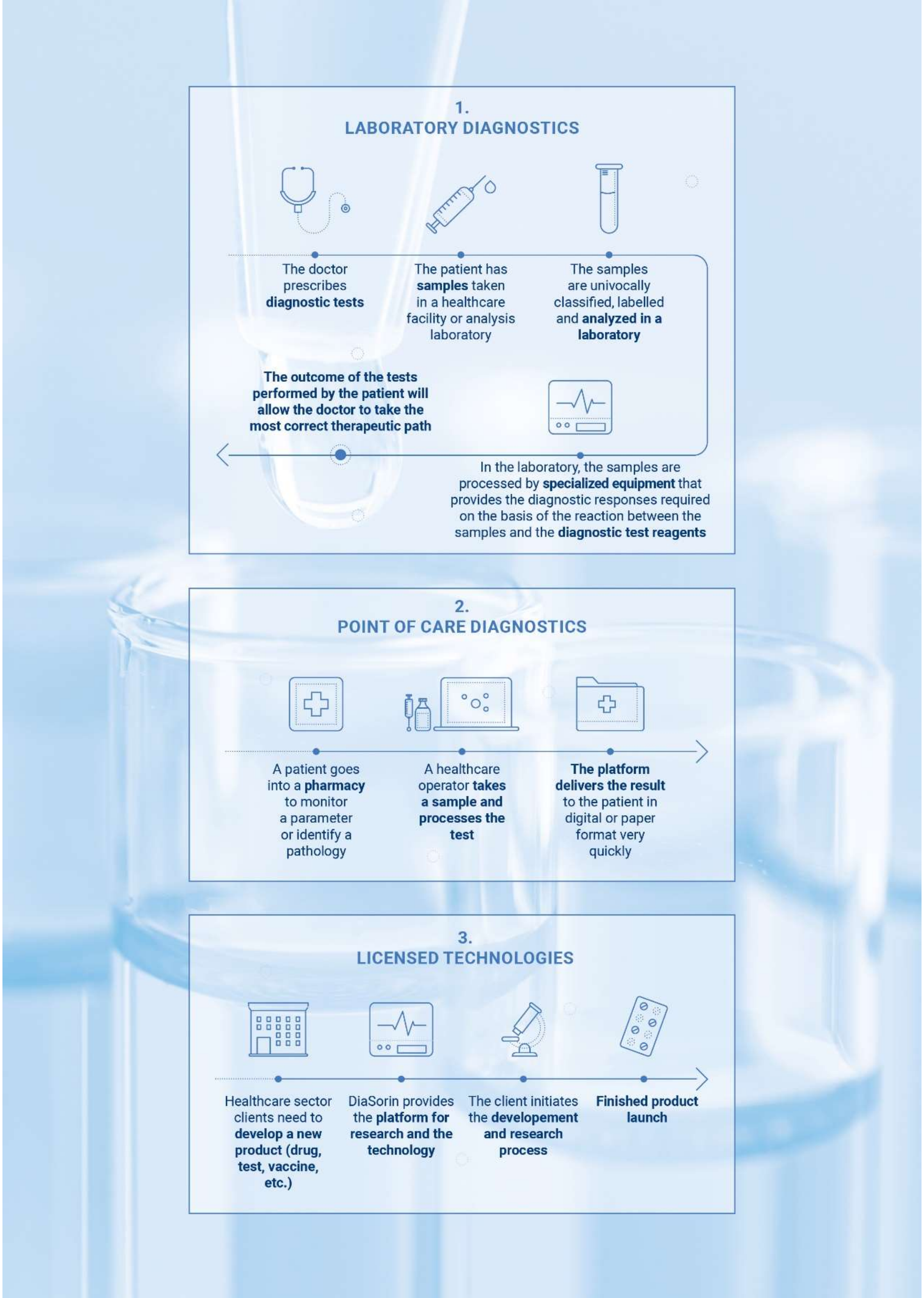
3. THE DIASORIN GROUP



4. OUR BUSINESS

The DiaSorin Group develops, produces and commercializes reagent kits and instruments useful for the diagnosis and research for a wide range of customers around the world, from testing laboratories to research bodies.

The Group business model is built around healthcare needs and, through research and innovation, translates them into effective and concrete answers and solutions.



5. Diagnostics overview in 2021

In 2021, the COVID-19 pandemic had a significant impact on the healthcare sector. During the presentation of the 2019 Business Plan, DiaSorin identified two macro trends in the in vitro diagnostics market: decentralization and consolidation. The pandemic has not changed these two trends, but has speeded up the transition towards decentralization, increasing the availability of Point-of-Care testing.
The economic incentives announced by governments have been an important step forward in that respect. In Italy, for example, the NRRP provides for the financing of initiatives to support telemedicine and the consolidation of community hospitals. Similarly, the US Government allocated a significant financial contribution to support the network of rural hospitals.
As regards changes that occurred in 2021, there are three major aspects affecting DiaSorin and, more generally, the market in which it operates.
First of all, an increased awareness about the importance of diagnostics in providing quick responses to clinical questions. Consequently, the public opinion and therefore governments are paying closer attention to this business. Secondly, the general public has learned to mark out and appreciate the innovative scope of cutting-edge technologies, such as molecular diagnostics, capable of identifying and detecting the presence of viruses even in very low virus copy numbers in a sample. Finally, in 2021, hospitals and laboratories around the world received significant one-off funding to handle the pandemic emergency.
The changes occurred following the spread of different SARS-CoV-2 virus variants, which led to the need of diagnostic tests to monitor the spread of the pandemic and of containment measures, pushed the diagnostic market growth to over 30% compared to 2019, as against an annual pre-pandemic growth of 1%-2%. When one-off funding to support the emergency ceases to exist, the sector will be called upon to offer more efficient solutions, providing cost-effective and time-saving treatments for national health systems. With this awareness, DiaSorin launched the key projects that will affect the time horizon of the new 2022-2025 Business Plan presented to the financial community on December 17, 2021.

6. The Group's history

DiaSorin History is a story underpinned by great "know-how", which is continuously updated and developed, by the search of new contents to provide top-notch quality products, by courageous and farsighted management decisions based on a clear vision of the distinctive aspects of the Company, and by concrete and effective strategies. It is the story of a Group that has always remained faithful to its mission as a diagnostic specialist.
A key feature that is fully expressed in the DiaSorin payoff: "The Diagnostic Specialist".

1968
DiaSorin's origins date back to 1968, when Sorin Biomedica, a division of Sorin set up by a joint venture between Fiat and Montecatini, creates a business dedicated to diagnostics: the opening of Europe's first center with a strong focus on the immunodiagnostics sector.

Since 1986
The DiaSorin Division continues its expansion, growing both organically and through acquisitions and, in particular in 1989, acquires the controlling interest in Incstar Inc., a company operating in the US in vitro diagnostics (IVD) market, with headquarters and production site in Stillwater - Minnesota (USA).

1997

Sorin Biomedica, in order to focus its business in the area of cardiology, divests IVD activities and sells them to the US multinational American Standard Inc.

2000

In the light of a strategic review of the business, in November 2000, American Standard decides to divest from the IVD market and a group of DiaSorin managers - including Carlo Rosa (current Chief Executive Officer) and Chen Even (current Chief Commercial Officer) - carry out a management buyout backed by a pool of financial shareholders, including IP Investimenti e Partecipazioni s.r.l., which today holds 44% of the company.

Between 2000 and 2010

The new management has clear goals and important plans to be implemented. DiaSorin needs a business strategy that enhances its key feature in relation to the big players dominating the market with high-routine testing offer, i.e., its vocation to focus on specialty and niche products, with cutting-edge and state-of-the-art content.
The primary objective is therefore to adopt a diagnostic analyzer capable of reading, through the state-of-the-art CLIA technology (chemiluminescence-immunoassay), the extensive test menu developed over the years on older technologies (Radio Immuno Assay and Enzyme Linked Immunosorbent Assay).
To do so, DiaSorin acquires the LIAISON® platform rights. A key step and a winning choice: today there are more than 9,000 CLIA LIAISON® platforms installed in laboratories around the world.
Another strategic choice is to continue developing specialty tests, thanks to which DiaSorin enters large laboratories which, in addition to use analyzers for high routine tests distributed by big players, require instruments dedicated to niche or specialty tests.
Within a decade, DiaSorin is able to offer the largest CLIA immunodiagnostic test menu on fully automated platforms.
On July 19, 2007, DiaSorin is listed on the Milan Stock Exchange, on the back of the success and reputation acquired in the international diagnostic sector.

Between 2010 and 2015

DiaSorin continues to grow through internal and external lines, and successfully carries out operations that enable the Company to enrich its testing offer, improve production technologies, add new types of customers, enter new market segments and strengthen its global commercial presence. Thanks to its one-of-a-kind technology and commercial offer combined with the ever-increasing number of LIAISON® family analyzers installed worldwide, DiaSorin signs several partnerships (e.g., Roche, Beckman Coulter, Meridian Bioscience).
The extensive specialty menu, which is DiaSorin's key differentiating factor, is essential to complete the world's major diagnostic players' offer who continue to focus their attention on high routine tests.

2016

The Group decides to expand its technology and commercial offer and enters the molecular diagnostics sector by acquiring the American Focus Diagnostics, now DiaSorin Molecular. The new acquisition adds to the Group skills, innovation and a cutting-edge tool: the LIAISON® MDX, a small and compact solution designed for small testing laboratories.

2018

DiaSorin joins the FTSE MIB, the primary benchmark index for the major Italian companies listed on the Stock Exchange by capitalization. In the same year, the Company signs a strategic partnership with QIAGEN, a leading player in global diagnostics, for the development of an innovative solution dedicated to the Latent Tuberculosis screening - one of the most widespread infectious diseases in the world. Again in 2018, the Group acquires the Siemens Healthineers ELISA business, with the aim of converting its customer base to the CLIA LIAISON® analyzers.

2020

The pandemic has a significant impact on the Group's activities. For the whole year, most efforts and investments focus on COVID-19 through the launch of four tests for the diagnosis of the disease, while a fifth test is launched in January 2021.

The COVID-19 emergency changes the diagnostic world and highlights the need to provide patients with rapid diagnostic tests, delivering results in less than 15 minutes, through simple and cost-effective technology solution. In this context, the Company signs an exclusive license agreement with the English company TTP for the development of a molecular Point-of-Care (POC) solution to be combined with DiaSorin molecular tests.

2021

Two new tests are added to the immunodiagnostic menu: the Lyme and the MeMed BV® tests.

The former developed in partnership with QIAGEN expands the exclusive offer based on QuantiFERON® technology, which had already been used in the development of the latent tuberculosis test. The latter developed in partnership with the Israeli company MeMed allows the differentiation between viral and bacterial infections.

In addition, thanks to the agreement signed with Lumos Diagnostics, DiaSorin launches the LIAISON® IQ analyzer, an instrument providing access, for the first time, to the pharmaceutical market with POC immunodiagnostic solutions for the detection of SARS-CoV-2 antibodies and antigen.

July 14, 2021: DiaSorin acquires Luminex Corporation

The acquisition of Luminex Corporation, for about $ 1.8 billion, is the most important acquisition made by the company in the 50-year history of the Group. This strategy expands DiaSorin's offer in the molecular diagnostic sector gaining access to multiplexing technology, which allows analysis of multiple parameters from a single biological sample within a single run. Through the acquisition, DiaSorin enters a new important sector, that of the so-called Life Science, an area that can lay the foundations for new important partnerships and business opportunities through the access to academic and scientific research. The acquisition of Luminex Corporation, in addition to strengthen DiaSorin presence in the US market, confirms and consolidates the Group's strategic capabilities to create innovation and value.

7. A NEW STEP FORWARD

"A unique combination of diagnostic specialists"

In July 2021, DiaSorin completed the acquisition of Luminex Corp., a U.S. company active in the molecular diagnostics markets and with a portfolio of patented products in Life Science field in relation to both the proprietary xMAP® technology and to the field of flow cytometry.
The transaction was signed with the strategic aim of consolidating, on the one hand, DiaSorin's positioning in the molecular diagnostics market, thanks to the access to technology and multiplexing portfolio developed by Luminex - a market leader with more than 900 active customers - and on the other hand, the value proposition, through the access to Life Science applications of the Licensed Technologies which support research and development in the clinical and pharmaceutical fields. This new area allows DiaSorin to gain access to academic and scientific research, by seizing opportunities and chances to shape market intelligence based on future market trends. The Licensed Technologies business also expands engagement with biopharma companies and increases access to clinical multiplexing assays for future Value Based Care projects.
Finally, the Luminex acquisition strengthens DiaSorin's presence in the United States, the largest diagnostic market in the world and the most rewarding for innovation, and accelerates the penetration, outside the U.S., of Luminex technology and solutions thanks to the extensive commercial and geographical reach developed over the years at an international level.

"Together, DiaSorin and Luminex will provide a unique offer to laboratories, researchers, clinicians and patients worldwide, matching our extensive solutions in immunodiagnostics and molecular diagnostics with Luminex's outstanding expertise in multiplexing technology and recognized leadership in life science applications".

Carlo Rosa, CEO

"We are really excited about this transaction, which we believe creates value for our shareholders and represents an outstanding opportunity for our future growth, positioning DiaSorin and Luminex as a unique combination of diagnostic specialists".

Carlo Rosa, CEO

8. STRATEGY

On December 17, 2021, DiaSorin presented its new 2022-2025 Business Plan to the market. The Plan develops across three business areas in which the Group operates.

2022-2025 Business Plan: Immunodiagnostics

The business growth will be driven by a constant commitment to developing new tests, with solutions addressed to the rarest and most specialized diseases, an area where DiaSorin has always been a global leader. Further leverage will be the development and marketing of new solutions, through partnerships with leading companies in the sector to create synergies among different technical-scientific skills and provide innovative and often unique solutions to the laboratory market. Noteworthy are the following two partnerships:

5. MeMed for the commercialization of the LIAISON® MeMed BV® test to differentiate viral from bacterial infections;
6. QIAGEN on QuantiFERON® technology. DiaSorin and QIAGEN have already launched two cutting-edge diagnostic solutions: the former for detection of latent tuberculosis through blood sample, the latter for early detection of Lyme disease.

Through the extension of the immunodiagnostic platforms, DiaSorin has been responding, since 2021, to the decentralized diagnostics trend with the LIAISON® IQ platform, whose launch has been so far dedicated to the market of Italian pharmacies.
Along with the relaunch of the LIAISON® XS platform targeting U.S. hospitals, the business plan envisages the development of the LIAISON® XXL platform in response to larger laboratories' needs. Finally, the offer of the whole CLIA test menu on the LIAISON® XS and LIAISON® XL platforms meets the testing needs of small, medium and large laboratories.

2022-2025 Business Plan: Molecular diagnostics

DiaSorin offers the market two main technologies: Single-Lowplex, which allows to detect up to 4 different pathogens on a single sample for each testing cycle, and Multiplex to detect up to 40 different pathogens with a single test.
In the field of Single-Lowplex technology, the growth strategy envisages the consolidation of the commercial offer and installed base on the new and more advanced LIAISON® MDX Plus platform, whose launch is expected in 2022, as an alternative to the already well-known LIAISON® MDX and ARIES® platforms that are being used in thousands of laboratories, mainly in Europe and in North America. Simplification of the platform portfolio will enable the Company to focus on research and development, in addition to develop important industrial synergies.
In the field of multiplexing technology, the growth of DiaSorin's business relies on the upcoming launch of the fully-automated LIAISON® Plex platform, featuring the so-called flex technology: a pay-per-use solution that allows laboratories to have access to multiplexing solutions, in a flexible and cost-effective manner, by directly correlating the price paid with the number of results reported. This cutting-edge and unique technology will enable DiaSorin both to consolidate Luminex's existing multiplexing installed base and to increase its market share, leveraging the Group's robust commercial network.
Finally, the molecular diagnostics business growth will also develop through Point-of-Care solutions, addressed to decentralized laboratories and pharmacies, with the upcoming launch of the LIAISON® NES platform, scheduled for 2023. The LIAISON® NES will offer highly reliable and cost effective Lowplex testing in extremely short times (<15 minutes).

2022-2025 Business Plan: Licensed Technologies

Both in the xMAP® microsphere and flow cytometry technologies, DiaSorin' strategy will consist of:

- strengthening relationships with partners and current customers, by leveraging the extended commercial presence of the Group;

- creating new value-based care algorithms based on the sound relationships that Luminex developed with the major Life Science academic and industrial players;

- fostering new business development opportunities focused on one-of-a-kind xMAP INTELLIFLEX® platform, which has been recently launched and enables analysis of 2 parameters per each of the 500 analytes detected in each sample.

9. CULTURE AS A DRIVER FOR BUSINESS TRANSFORMATION

The DiaSorin Group grew over the years, as did the value of people who take part in the Company. Through the Luminex acquisition, DiaSorin has become even more international and, thanks to a greater presence in the United States, it increased its potential for new partnerships and business opportunities.
While the two companies are working on the process of cultural integration, employees are given the chance to enrich their skills still acting according the guiding values of business culture. Means to inspire people require cooperation among heterogeneous work teams, innovation, excellence, execution speed, diversity and inclusion. Motivating work team, stimulating creativity and planning help employees carry out projects and achieve goals that are consistent with the company's long-term vision.
In this constant transformation context, the challenge of Human Resources is combining the evolution of corporate culture with the development of a people strategy, which takes account not only of the new nature of the Group but can also drive it in an inclusive manner, by promoting people talents.

Elements underpinning the Group culture are:
- ***Sense of Belonging,*** ability to cultivate a sense of belonging and always operate consistently with the Diagnostic Specialist mission.
- ***Sense of Ownership,*** ability to translate the Group strategy into concrete actions, by fostering accountability at all levels.
- ***Sense of Urgency,*** ability to combine speed and quality of results with people's passion.

Following the steady company growth and the Luminex acquisition, in 2021 the Group had 3,358 employees worldwide. The fast evolution of the business sector in which the Group operates requires to be constantly in search of innovative solutions. For this reason, in 2021, in addition to the extraordinary initiatives related to the ongoing pandemic and to the Luminex acquisition, the company continued to implement organizational, managerial and project activities in the various countries and professional activities in line with the company strategy:

- talent acquisition activities through thorough searches, both from a geographical and a professional point of view (background and specialization required), aimed at identifying and attracting professional resources with distinctive skills;
- activities related to the annual performance management process, through a constant investment aimed at ensuring the quality of the assignment process, measurement and feedback of individual and team performance. The excellence of the process stems from the engagement of Group's people, in terms of education, along with the use of HR platforms at

a global level and aims at promoting and developing behaviors consistent with the culture of merit. In 2021, the Company set up a global work team with the task of integrating DiaSorin's and Luminex's performance processes;

- employee engagement, strengthening constant, transparent and direct dialogue, and carrying out specific activities favoring such engagement, to create and maintain a work environment conducive to business growth and innovation;
- activities in line with sustainability policies and principles (ESG), through employee training and support to the local communities in which the Group operates, following the reference principles defined by the DiaSorin's Code of Conduct and the UN 2030 Agenda.

This intense activity reflects the corporate culture represented in DiaSorin's Leadership model, which combines the "entrepreneurial spirit" with the "managerial style".

Thanks to this mix of talent and mindset, DiaSorin has maintained a long-term strategic vision, execution and decision-making speed along with the ability to run an international Group in a dynamic market while combining geographical expansion with a unique capacity for innovation. These features make DiaSorin the "Diagnostic Specialist", today.

During 2021, given the continuation of the COVID-19 epidemiological emergency at national and international level, the Company continued its protection and prevention activities to safeguard health and safety of workers and ensure business continuity. In particular, testing campaigns continued on a voluntary basis and all employees were given the opportunity to be vaccinated against SARS-CoV-2 infection at company premises.

In addition, in 2021 DiaSorin introduced a global policy as an integral part of its employment value proposition, in order to promote the use of a hybrid work model, combining in-person and remote activities. This allowed the Company to ensure productivity, flexibility and work-life balance, as well as to focus on the environment, diversity and inclusion in relation to sustainability issues.

10. FINANCIAL COMMUNICATION AND INVESTOR RELATIONS

In order to provide complete and updated information about corporate objectives and business development, in 2021, DiaSorin continued to implement activities to interact and communicate with Shareholders, Institutional Investors, Financial Analysts and the Italian and International press. The Company adjusted its communication to the needs connected to the continuation of the COVID-19 pandemic, by using services of remote conferencing.

On 17 December 2021, the company presented its new 2022-2025 Strategic Plan to the financial community, combining both in-person, at Palazzo Mezzanotte in Milan, and remote participation, with over 250 Italian and international investors. The presentation highlighted the strategic growth drivers and investments that will be undertaken by DiaSorin in 2022-2025 relating to immunodiagnostics, molecular diagnostics and Licensed Technologies business.

As in the past, the Investor Relations team met more than 350 analysts and investors. In addition, numerous virtual in-depth meetings were organized to take a closer look at the diagnostic tools developed in response to the pandemic, with the aim of providing clarity on the application of the different types of tests developed and on the different technologies used.

Lastly, the Top Management and the IR team attended virtual financial conventions dedicated to the healthcare and diagnostic sector and roadshows organized by brokers who deal with DiaSorin stocks in the main European and U.S. financial centers.

Financial communication continues to be an essential interaction tool, through which DiaSorin can carry out a constant dialogue with the financial community and make business dynamics and activities easier to understand.

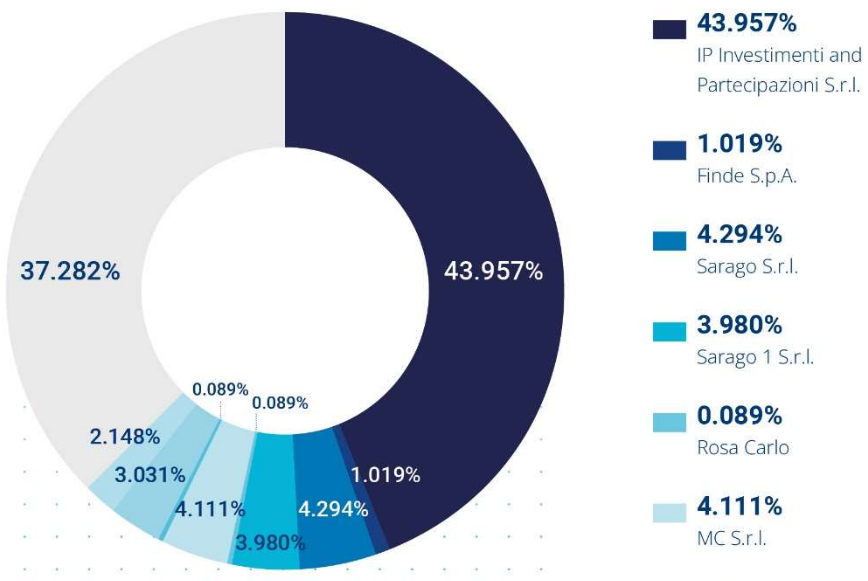
DiaSorin is committed to provide maximum accessibility to any corporate information, ensuring the utmost visibility, also through the Investor Relations section of the company website at www.diasoringroup.com.

DiaSorin is aware that a constant dialogue with the Company and sharing information on the web underpin a successful communication. Contact information with the offices responsible for communications and investor relations is provided below:

Riccardo Fava Corporate Vice President Communication & Investor Relations Tel: +39 0161/487.988 riccardo.fava@diasorin.it	**Emanuela Salvini** Investor Relator Tel: +39 0161/487.567 emanuela.salvini@diasorin.it

Website: www.diasoringroup.com

10.1 STOCK OWNERSHIP



10.2 PERFORMANCE OF THE DIASORIN STOCK IN 2021

In 2021, the DiaSorin stock was -1.6%, a poor performance vis-à-vis the FTSE MIB, whose performance in the same period was +23.0%.

01.11	CE Mark of the serology LIAISON® SARS-CoV-2 TrimericS IgG test
02.23	US FDA approval of two serology tests for Lyme Disease diagnosis
03.11	FY 2020 Results
03.29	Emergency Use Authorization in the US for the SARS-CoV-2 Antigen test
03.30	BARDA funding to develop and achieve FDA regulatory authorization, for the LIAISON® SARS-CoV-2 Ag test
04.06	Announcement of the strategic collaboration with Lumos Diagnostics for the development of an immunodiagnostic Point of Care platform
04.12	Definitive merger agreement for DiaSorin to acquire Luminex, Corp.
04.20	Launch of LIAISON® IQ with a first test that detects IgG antibodies against SARS-COV-2 in markets accepting the CE Mark
04.21	CE Mark of the LIAISON® LymeDetect® Assay, developed in partnership with QIAGEN
04.22	Shareholders' meeting 2021
04.28	Pricing of DiaSorin offer of € 500 million Senior Unsecured Equity-Linked Bonds due 2028
05.14	Q1 2021 Results
05.20	US Emergency Use Authorization for the LIAISON® SARS-CoV-2 TrimericS IgG test
05.21	Launch of a Research Use Only assay for Rapid Identification of Mutations Associated with Circulating Variants of SARS-CoV-2
05.25	Launch of the LIAISON® Quick Detect COVID Ag assay, an antigen test to detect COVID-19 infection in countries accepting the CE Mark
06.03	Signing of two agreements with Unifarma and Alliance Healthcare for the distribution in Italian pharmacies of the LIAISON® IQ
06.15	CE Mark of the first fully automated CLIA high-throughput solution for diagnosing Hepatitis E
06.21	Shareholders' meeting of Luminex Corporation's approval of the merger of Luminex with a U.S. wholly-owned subsidiary of DiaSorin
07.09	DiaSorin obtains all approvals necessary to complete the acquisition of Luminex
07.14	Completion of Luminex Acquisition
07.30	H1 2021 Results
09.18	CE Mark of the Simplexa™ COVID-19 & Flu A/B Direct Assay for Detection and Differentiation of SARS-CoV-2 and Influenza in One Test
11.11	Q3 2021 Results
11.23	CE Mark of the LIAISON® MeMed BV® Test
11.29	FDA approval of the use of LIAISON® QuantiFERON®-TB Gold Plus assay on the LIAISON® XS Analyzer
11.30	Effectiveness of Molecular Diagnostic tests confirmed in light of new Omicron SARS-CoV-2 Variant
12.16	2022 – 2025 Industrial Plan Presentation

GROUP'S TECHNOLOGIES

Analysis of the biological sample aimed at detecting the presence of a specific element is carried out through analyzers and biochemical reagents, which are based on different and specific technologies.
DiaSorin, in particular, operates in immunodiagnostics and molecular diagnostics.
In 2021, following the acquisition of Luminex, the Group added to its technological portfolio some Life Science solutions, which include the *xMAP*® microsphere technology, sold as a product to be used for the development of kits or as a tool in the field of research and development, and the cytofluorimetry technology, or flow cytometry, a laboratory technology to detect, identify and count specific cells, as well as to detect their particular components.

1. IMMUNODIAGNOSTICS

In immunodiagnostics, DiaSorin offers the market proprietary-based analyzers on CLIA technology, which delivers extremely reliable and fast results and fully automates the diagnostic procedure, providing flexible access to the Group's test menu. LIAISON® platforms (LIAISON®, LIAISON® XS, LIAISON® XL and LIAISON® XL LAS) are part of the immunodiagnostic analyzers based on CLIA technology.

1.1 PLATFORMS

LIAISON® XL
In 2021, the LIAISON® XL strengthened its international presence by leveraging its flexibility, which enables quick and reliable results, and the wide range of both specialty and routine diagnostic tests. The LIAISON® XL platform provides highly-automated solutions, both in stand-alone configuration and through the connection with the main market players' systems (XL LAS).

LIAISON® XS
In 2020, the priority for laboratories was to handle high test volumes for the diagnosis of COVID-19. Therefore, the rollout of the LIASON® XS platform was slowed down since it was originally designed to meet the demands of small and medium-sized laboratories that need to handle smaller test volumes.
In 2021, DiaSorin resumed the LIAISON® XS rollout, by leveraging the features that make it the most suitable platform for laboratories with low and medium specialty test volumes. LIAISON® XS is also the best solution for diagnostic facilities distributed across the territory: routine testing is performed in a centralized reference "hub", which offers high-throughput processing in a very short time, while specialty testing, for which greater proximity to the patient is deemed necessary, is performed in smaller decentralized diagnostic facilities.

1.2 FOCUS ON THE LATEST DEVELOPMENTS OF 2021

Immunodiagnostic menus

2021 was a year of transition, characterized in the first months by an intense activity which worked on COVID-19-related products. Only later it was possible to work again on the launch of new and cutting-edge products in the immunodiagnostic area of infectious diseases.

COVID-19

In the first half of 2021, DiaSorin launched new immunoassay solutions for diagnosis and monitoring of SARS-CoV-2 infections.

The first solution is the new LIAISON® SARS-CoV-2 TrimericS IgG test, a new quantitative serology test, available in markets accepting the CE Mark, for determination of IgG antibodies against SARS-CoV-2 in patients both with natural infections and vaccinated against SARS-CoV-2 infection. During the first half of the year, DiaSorin received FDA Emergency Use Authorization (EUA) on the US market for the LIAISON® SARS-CoV-2 TrimericS IgG test and for the LIAISON® SARS-CoV-2 Ag antigen test for diagnosis of COVID-19.

HEPATITIS AND RETROVIRUS

2021 saw the launch of the first fully automated CLIA test for the diagnosis of Hepatitis E: the LIAISON® Murex AntiHEV IgG & IgM test.
HEV infection is a major cause of acute hepatitis and is increasingly spreading worldwide, with about 20 million new infections occurring annually. HEV usually spreads to humans through the food chain via fecal contamination of drinking water or consumption of meat from infected animals. HEV infection can also be caused by medical treatments, through the so-called iatrogenic transmission.
Infection with the virus causes Hepatitis E, which usually presents as an acute, self-limiting form of liver inflammation. However, acute hepatitis can progress to chronic hepatitis, cirrhosis, liver failure and acute-on-chronic liver failure. Over the past decade, interest in HEV infection has increased after the description of cases of chronic hepatitis in immunosuppressed individuals, reports of severe HEV-associated extrahepatic manifestations and the presence of HEV in blood products used for transfusion.
Today, through the launch of this new test, the fully automated test panel for the diagnosis of viral hepatitis offered by DiaSorin is the largest available on the market. Through the addition of the Hepatitis E test to the Hepatitis A, B, C, D, tests it is possible to speed the time-to-treatment in individuals with or without hepatitis symptoms, and the monitoring of disease progression and treatment status.

INFECTIOUS DISEASES

During 2021, several launches enriched the Infectious Diseases area of DiaSorin products: among these, the Lyme disease tests and the state-of-the-art LIAISON® MeMed BV® test for differentiation between bacterial and viral infections.

Once obtained FDA approval, the LIAISON® Lyme IgM and LIAISON® Lyme IgG tests were added to the already existing LIAISON® Lyme Total Antibody Plus automated quantitative assay, for the determination of specific IgG and IgM antibodies specific to *Borrelia burgdorferi*, a pathogen responsible for Lyme Borreliosis (or Lyme disease). The combined use of the tests represents a highly sensitive and specific screening tool for Lyme disease as the first step in the US Centers for Disease Control and Prevention (CDC). The two IgM and IgG assays can also be used as the second step of the CDC endorsed modified two-tier testing algorithm in conjunction with the LIAISON® Lyme Total Antibody Plus test as the screening assay. In countries accepting the CE Mark, the Company launched the LIAISON® LymeDetect® assay as an aid to detect early *Lyme Borreliosis* infection (Lyme) on LIAISON® analyzer systems. In the early stages of the infection results can be unsatisfactory because patients often get tested at the onset of the disease, before the appearance of antibodies (IgG or IgM) against the pathogen. An undetected Lyme disease presents an increased risk of developing into a severe chronic disease. DiaSorin and QIAGEN worked together in response to the need of early diagnosis with a solution that improves the sensitivity in the early phase of infection and combines both humoral (detection of IgG and IgM antibodies) and cellular immunity through a specific interferon-gamma release assay, stimulated by specific Lyme peptides using QuantiFERON® LymeDetect® technology, providing significantly improved sensitivity and earlier detection of the infection.

The second half of the year saw the launch of the LIAISON® MeMed BV® in countries accepting the CE Mark. The test is the first fully automated solution, which uses host response-based data to enable physicians to differentiate accurately between bacterial and viral infections by using a proprietary algorithm developed with the use of AI capable of combining the analysis of three biomarkers of the immune response. This test was designed in collaboration with the Israeli company MeMed. Distinguishing between bacterial and viral infections is essential for the proper use of antibiotics in infectious diseases treatment. Currently, the lack of appropriate diagnostic solutions and common clinical practice lead to antibiotic overuse. Scientific literature reports an antibiotic overuse in 30-50% of patients treated. This phenomenon is responsible for the development of drug-resistant bacteria strains (or antimicrobial resistance) and has concrete consequences on public health and the economy. The emergence of these bacterial strains reduces the amount of antibiotics that clinicians may use successfully; this phenomenon reduces the chance of survival for patients and has a significant economic impact. In 2017, the World Bank warned that the emergence of drug-resistant pathogens may cause GDP losses of 1 trillion dollars by 2030 if concrete actions to combat this problem.

2. MOLECULAR DIAGNOSTICS

In molecular diagnostics, DiaSorin offers the market a proprietary platform, the LIAISON® MDX, based on PCR technology which is used for the amplification of nucleic acids (DNA or RNA) to diagnose viral infections through the identification of virus in patient's biological sample. DiaSorin tests are reagents designed and developed to determine the presence of specific elements (virus, hormone, etc.) in the patient's blood sample. These cutting-edge diagnostic products can identify the presence of the desired element even in small quantities and with a high degree of specificity in the patient's sample, delivering reliable results that help physicians provide accurate diagnosis.

2.1. PLATFORMS

DiaSorin Molecular's technological solution aims at identifying the presence of infectious pathogens' DNA/RNA in biological samples and consists of a thermocycler, consumables and reagents.

Specifically, the LIAISON® MDX analyzer features a compact and flexible design and can be used in association with the following consumables:

- the "Direct Amplification Disc (DAD)" consumable for fast, "on demand" results, also at laboratories with low-volume testing, or during urgent procedures such as, for example, the identification of patients to be isolated in hospitals;

- the "Universal Disc (UD)" for routine, screening or high-throughput results:

DAD *Direct Amplification Disc*		*It runs 8 specimens at a time through a pipette system for biological samples and amplification reagents, allowing the 3 steps of PCR test (extraction, amplification and detection) simultaneously on the LIAISON MDX analyzer. The system is extremely easy to use and fast and used for fast and on demand results.*

UD *Universal Disc*		*It runs 96 specimens simultaneously and is designed for high throughput to manage high-volume testing. It can process directly the biological samples, increasing labs throughput (96 results in an hour)*

Starting from July 2021, following the Luminex acquisition, DiaSorin broadened its offering with two instruments:

- **the Aries®**, a "Sample-to-answer" platform capable of detecting, along with LIAISON® MDX, a limited number of pathogens for each reagent (single-low plex platform);
- **the Verigene®**, a Multiplexing platform capable of identifying a wide range of parameters from a single biological sample. This platform will be soon upgraded with the faster fully automated platform LIAISON® Plex, to be preliminary launched in 2022, as announced during the Investor Day 2021.

The Aries® platform is a real-time PCR system that allows laboratories to control every aspect of the sample-to-answer testing process, from sample accessioning through result reporting. Integrated touchscreen PC eliminates the need for computer peripherals, maximizing valuable bench space. Designed for improving lab efficiency and workflows, the Universal Assay Protocol allows multiple sample types and up to 12 different IVD assays. Internal barcode scanning matches samples to cassettes, enabling higher flexibility of use and improved traceability of the result.
ARIES® cassettes contain all of the reagents needed to run PCR testing on a sample. All the test phases, including extraction and purification do not require external control or equipment. ARIES® cassettes are color coded and can be stored at room temperature

The Multiplex VERIGENE® system can rapidly and accurately detect a wide range of infectious pathogens and their associated drug resistance markers.
The use of Multiplex technology enables clinicians to provide targeted patient care more quickly, potentially leading to improved patient outcomes, lower costs, optimized antibiotic therapy, and reduced spread of antibiotic resistance.
The VERIGENE® system is scalable, allowing throughput customization to meet the size and testing demands of each laboratory.
Panels available on the VERIGENE® platform are designed to target infections in the bloodstream, respiratory tract, and gastrointestinal tract. Verigene tests cartridges are single-use and each test cartridge is designed for multiplex analysis of one patient sample.

2.2 FOCUS ON THE LATEST DEVELOPMENTS OF 2021

Molecular diagnostic menus

In 2021, two new molecular products were launched on the global market and several development activities were implemented in order to broaden the test menu on the LIAISON® MDX platform.
In response to the COVID-19 emergency, the Company commercialized a test for the detection of the virus variants, some of which are responsible for the infection peaks recorded at the beginning of the year (Alpha variant), in summer (Delta) and at the end of the year (Omicron). As a resurgence of the flu virus was expected in 2021 and on the basis of similarities between COVID-19 clinical symptoms and respiratory viruses, the Company launched a multiplex molecular test, in countries accepting CE Mark, for differentiation of SARS-CoV-2, Flu A and Flu B, to support differential diagnosis.

VARIANTS OF SARS-COV-2 VIRUSES

One of the survival mechanisms of the SARS-CoV-2 virus is the rapid change of its genetic sequence in response to external selective pressure, with the aim of escaping natural and vaccine-induced immunity. Compared to the flu virus, whose frequency of mutation is the basis of the need to vaccinate the community at each season, the SARS-CoV-2 virus has demonstrated a significantly higher mutation rate that has led to frequent waves characterized by new variants with a higher level of infectivity. This feature has generated the need to monitor its circulation. However, methods available (sequencing) have proven to be complex, inaccessible and, consequently, applicable to a limited number of non-pre-selectable positive cases. In order to facilitate this process, a research-only test (RUO) was developed to be performed on samples previously diagnosed as positive. The test, launched on the global market in May 2021, uses nasal or nasopharyngeal swabs directly, without the need for further extraction, and allows the detection of E484A, E484K, E484Q, G496S, Q498R, L452R, N501Y, and Y505H mutations. These mutations are present in variants that have potential clinical and epidemiological relevance, such as the Alpha (B.1.1.7), Beta (B.1.351), Gamma (P.1), Delta (B.1.617.2), Epsilon (B.1.427/B.1.429), Zeta (p.2), Eta (B.1.525), Iota (B.1.526/B.1.526.1), Kappa (B.1.617.1/ B.1.617.3), Mu (B.1.621) and the Omicron (B1.1.529) variant.
The test is sold in a kit consisting of pre-quoted and ready-to-use reagents and uses the Direct Amplification Disc (DAD) technology. Thanks to the technology of the LIAISON® MDX platform, the process of pre-selection of positive samples to be subjected to sequencing is simplified and accelerated, thus maximizing the effectiveness of monitoring activities on the variant diffusion.

DIFFERENTIAL DIAGNOSIS OF INFLUENZA A, INFLUENZA B, SARS-COV-2 VIRUSES

As the pandemic, vaccination programs and the spread of collective immunity against the SARS-CoV-2 virus continue, the scientific community expects a normalization of the prevalence of COVID-19 and an evolution towards an endemic situation. It is expected that this trend will be associated with a resurgence of flu viruses that typically circulate in winter. To confirm this hypothesis, the 2021-2022 season recorded the resurgence of Influenza A and B viruses unlike the two previous winters when the surveillance data had shown an "absence of season", due to the precautionary measures adopted to curb the spread of COVID-19 (social distancing, use of masks, cancellation of events, screening programs).
The co-presence of these respiratory viruses, which share very similar clinical manifestations, makes differentiation important in order to correctly manage the patient and choose the appropriate therapies. In response to this need, the SimplexaTM COVID-19 & Flu A/B test was launched in September 2021, available in countries accepting CE marking, to be added to the extensive respiratory portfolio on LIAISON® MDX. The new test, which is simple to use and fast, supports diagnostic laboratories in performing tests, providing further information regarding the presence of COVID-19 or Influenza type A and B infection, specifically for symptomatic patients.

3. LICENSED TECHNOLOGIES

In the Licensed Technologies field, DiaSorin offers the market a state-of-the-art platform: the MAP INTELLIFLEX®. In this sector and through Luminex the Company, in addition to sell the platform and the microspheres, provides its partners with services in the field of the in vitro diagnostic product development and in the field of applied research by using the xMAP® technology. The Licensed Technologies business includes flow cytometry, a lab technique to detect, identify and count specific cells and detect their special components. In this business and through Luminex DiaSorin provides cutting-edge instruments, including 2 platforms capable of providing images of the sample and of the analyzed cells.

3.1 FOCUS ON THE LATEST DEVELOPMENTS OF 2021

In the first half of 2021, Luminex launched the xMAP INTELLIFLEX®, the next generation platform developed for the scientific research market. This platform plays a key role in supporting the strategy to strengthen the multiplex xMAP® technology through the adoption of new features and functions that further maximize the workflow and laboratory performance.
The xMAP INTELLIFLEX® is the next-generation, compact and robust version of the Luminex xMAP® platform, known as the gold standard for multiplexing testing and is fully compatible with the xMAP® test menu used in research applications.
The xMAP® INTELLIFLEX platform features a dual reporter functionality thanks to which the user can acquire data on two parameters per target protein or nucleic acid, saving time and generating higher volumes of data from a smaller amount of samples. Luminex has currently 75 partnerships in the field of the xMAP® technology.
As regards flow cytometry, 2021 was still marked by COVID-19 pandemic with an urgent need for research to provide answers and information to understand and monitor the immune response to the SARS-CoV-2 infections and vaccines, and provide data useful for epidemiological studies and epidemic surveillance. In the first half of 2021, Luminex launched Guava® SARS-CoV-2 Multi-Antigen Antibody Kit (*Research Use Only*) that detects IgG, IgM, and IgA antibodies in serum and plasma and provides a more comprehensive picture of the immune response against SARS-CoV-2. The Guava SARS-CoV-2 Antibody Kit has been optimized for use on the Guava® Muse® Cell Analyzer and Guava® easyCyte™ Systems, but samples can be run on any flow cytometer equipped with either a 488 nm or 532 nm laser.
In 2021, the upgrade of two different software was released: the GuavaSoft™ 4.5, upgrade available for Guava® easyCyte™ platforms, providing enhanced features and upgrades in line with customers' needs, and the new version of Amnis® AI, available on Amnis® platforms, providing cutting-edge features for a better configuration of experiments and testing workflows.

4. Looking ahead

5. RESEARCH AND DEVELOPMENT

The key pillar driving DiaSorin's growth is its consolidated ability to generate quick and continuous innovation. This innovation arises from the dialogue with the scientific community and is supported by "World Class" skills and stems from collaborations with major academic and hospital excellence at global level.
Ranging from research and development of molecular platforms for direct identification of pathogens to immunodiagnostics for the research of new immune response biomarkers and the latest applications of the diagnostic algorithms and the artificial intelligence for the differential diagnosis and assessment of severity and prognosis of the disease, the distinctive feature of DiaSorin research is represented by the perfect combination between technology and human capital.
With over 400 researchers operating mainly in Italy and in the United States and through strong research and development investments, the company is able to support the ongoing diagnostic evolution by launching every year high-specialty tests and state-of-the-art solutions addressed to diagnostic laboratories worldwide and designed for different and large clinic and research applications.

5.1 Research and Development costs and investments

Consistent with the above, in 2021 the Group’s research and development costs increased to € 116,224 thousand compared to 2020 (€ 71,057 thousand).

(€ thousands)	**2021**	**2020**
Research and development costs that were not capitalized	57,485	43,115
Annual amortization of capitalized costs	12,606	7,683
Total research and development costs charged to income	**70,091**	**50,800**
Development costs capitalized during the year	46,133	20,257
Total research and development costs	***116,224***	***71,057***

In 2021, the Group’s Parent Company capitalized development costs totaling € 11,946 thousand. Research costs, amounting to € 24,066 thousand, were charged directly to the income statement.

OVERVIEW OF THE RESULTS

1. CONSOLIDATED FINANCIAL HIGHLIGHTS

Income statement *(€ thousands)*	**2021**	**2020**
Net revenues	1,237,654	881,305
Gross profit	824,771	602,905
Adjusted (1) Gross profit	830,957	n.a.
EBITDA (2)	515,492	385,260
Adjusted (1) EBITDA	543,061	n.a.
Operating result (EBIT)	419,499	324,226
Adjusted (1) EBIT	465,127	n.a.
Net profit for the period	310,732	248,296
Adjusted (1) Net profit	356,943	n.a.

Statement of financial position *(€ thousands)*	**12/31/2021**	**12/31/2020**
Capital invested in non-current assets	2,262,145	532,529
Net invested capital	2,353,832	650,972
Net financial debt	(985,894)	305,347
Shareholders' equity	1,367,939	956,319

Cash flow statement *(€ thousands)*	**12/31/2021**	**12/31/2020**
Net cash flow for the period	63,139	182,329
Free cash flow (3)	300,699	232,223
Capital expenditures	117,393	74,825
Number of employees	3,358	2,066

(1) The adjusted Gross Profit, adjusted EBIT, adjusted EBITDA, and adjusted Net Profit indicators are provided in the table included in the section "Overview of the Group's operating performance in 2021 and comparison with 2020".

(2) EBITDA is defined as the "Operating Result", gross of amortization and depreciation of intangible and tangible assets. EBITDA is a measure used by the Group to monitor and evaluate the Group's operating performance and is not defined as an accounting measure in IFRS and therefore shall not be considered an alternative measure for assessing the Group operating result performance. Since the composition of EBITDA is not regulated by the reference accounting standards, the criterion of determination applied by the Group may not be homogeneous with that adopted by other operators and/or groups and therefore may not be comparable.

(3) Free cash flow is the cash flow from operating activities, counting utilizations for capital expenditures but before interest payments, acquisitions of companies and business operations and taking out/repaying borrowings.

2. FINANCIAL HIGHLIGHTS OF THE GROUP'S PARENT COMPANY

Income statement *(€ thousands)*	**2021**	**2020**
Net revenues	583,093	471,019
Gross profit	279,068	229,088
EBITDA [(1)]	191,054	152,758
Operating result (EBIT)	167,379	129,966
Net profit for the period	138,848	164,216
Statement of financial position *(€ thousands)*	**12/31/2021**	**12/31/2020**
Capital invested in non-current assets	902,276	344,884
Net invested capital	1,013,072	425,505
Net financial debt	(387,285)	58,360
Shareholders' equity	667,993	525,691
Cash flow statement *(€ thousands)*	**2021**	**2020**
Net cash flow for the period	12,142	95,860
Free cash flow [(2)]	89,235	90,740
Capital expenditures	32,818	25,694
Number of employees	809	741

[(1)] EBITDA is defined as the "Operating Result", gross of amortization and depreciation of intangible and tangible assets. EBITDA is a measure used by the Group's Parent Company to monitor and evaluate the Group's operating performance and is not defined as an accounting measure in IFRS and therefore shall not be considered an alternative measure for assessing the Group's Parent Company operating result performance. Since the composition of EBITDA is not regulated by the reference accounting standards, the criterion of determination applied by the Group's Parent Company may not be homogeneous with that adopted by other operators and/or groups and therefore may not be comparable.
[(2)] Free cash flow is the cash flow from operating activities, counting utilizations for capital expenditures but before interest payments, acquisitions of companies and business operations and taking out/repaying borrowings.

3. Overview of the Group's operating performance in 2021 and comparison with 2020

Foreword

The 2021 consolidated financial statements have been prepared in compliance with the International Accounting Standards (IFRS) issued by the International Accounting Standards Board ("IASB") and approved by the European Union and are consistent with the provisions issued in implementation of Art. 9 of Legislative Decree No. 38/2005.

This annual report presents and comments on certain financial indicators that are not identified in the IFRSs. These indicators, which are described below, are used to comment on the Group's business performance in sections "Consolidated financial highlights" and "Income Statement in 2021 and comparison with 2020", in compliance with the requirements of Consob communication of 28 July 2006 (DEM 6064293), as subsequently amended and supplemented (Consob communication 0092543 of 3 December 2015, which incorporates the ESMA Guidelines 2015/1415) and ESMA Guidelines 32-382-1138 of 4 March 2021.

The alternative performance indicators listed below should be used to supplement the information required by IFRS to help readers of the report gain a more comprehensive understanding of the Group's economic, financial and operating position, by excluding the result of one-off elements for the Luminex acquisition and integration from the amortization deriving from the Purchase Price Allocation and the financial expenses related to the financing of the transaction, including their fiscal impact.
It should be noted that the calculation of these adjusted indicators could differ from those used by other companies.

(€ thousands)	**Gross profit**	**EBIT**	**EBITDA**	**Fiscal impact**	**Net profit**
IFRS Financial Statements Measures	**824,771**	**419,499**	**515,492**	**n.a.**	**310,732**
Adjustments					
Fair value measurement of the initial Luminex inventory	6,186	6,186	6,186	(1,517)	4,669
"*One-off*" costs related to the acquisition, integration and restructuring of Luminex	-	21,382	21,382	(5,068)	16,314
Amortization of Luminex intangibles identified in the Purchase Price Allocation	-	18,059	-	(4,428)	13,631
Financial charges relating to the debt instruments and to the convertible bond issued to finance the acquisition	-	-	-	(4,147)	11,596
Total adjustments	**6,186**	**45,627**	**27,568**	**(15,160)**	**46,211**
Alternative performance indicators	**830,957**	**465,127**	**543,061**	**n.a.**	**356,943**

MACROECONOMIC SCENARIO AND THE FOREIGN EXCHANGE MARKET

FY 2021, after the heavy contraction recorded in the previous year, has been characterized by a sustained recovery in the global economy, with an estimated global GDP growth of 5.5% (source World Bank).

The implementation of the vaccination campaign waged on a global scale has made it possible to contain the negative effects of the COVID-19 pandemic and, together with the maintenance of expansionary economic and monetary policies by the main countries and Central Banks, has allowed a widespread recovery in consumption and economic activities despite such recovery has slowed down at the end of the year by the rapid spread of the Omicron variant.

Increased inflationary pressures caused by higher raw material prices have given rise to international instability and uncertainty for the current year and are leading the main Central Banks to gradually adopt tighter monetary policy stance.

In the foreign exchange market, the Euro weakened in the second half of 2021, in particular against the US dollar and the Chinese Yuan, with an appreciation of 8% and 10%, respectively.

The table below provides a comparison of the average and end-of-period exchange rates for the periods under comparison concerning the main currencies used by the Group (Source: European Central Bank).

Currency	**Average exchange rates**			**Exchange rates at**		
	2021	**2020**	**Change**	**12/31/2021**	**12/31/2020**	**Change**
U.S. dollar	1.1827	1.1422	4%	1.1326	1.2271	-8%
Brazilian real	6.3779	5.8943	8%	6.3101	6.3735	-1%
British pound	0.8596	0.8897	-3%	0.8403	0.8990	-7%
Swedish kronor	10.1465	10.4848	-3%	10.2503	10.0343	2%
Swiss franc	1.0811	1.0705	1%	1.0331	1.0802	-4%
Czech koruna	25.6405	26.4551	-3%	24.8580	26.2420	-5%
Canadian dollar	1.4826	1.5300	-3%	1.4393	1.5633	-8%
Mexican peso	23.9852	24.5194	-2%	23.1438	24.4160	-5%
Israeli shekel	3.8208	3.9258	-3%	3.5159	3.9447	-11%
Chinese yuan	7.6282	7.8747	-3%	7.1947	8.0225	-10%
Australian dollar	1.5749	1.6549	-5%	1.5615	1.5896	-2%
South African rand	17.4766	18.7655	-7%	18.0625	18.0219	0%
Norwegian krone	10.1633	10.7228	-5%	9.9888	10.4703	-5%
Polish zloty	4.5652	4.4430	3%	4.5969	4.5597	1%
Indian Rupee	87.4392	84.6392	3%	84.2292	89.6605	-6%
Singapore dollar	1.5891	1.5742	1%	1.5279	1.6218	-6%

ACQUISITIONS OF COMPANIES AND BUSINESS OPERATIONS

In April 2021, the Group announced that it signed a merger agreement to acquire the entire share capital of Luminex Corporation for a price of USD 37.00 per share, corresponding to a total consideration of USD 1.7 billion. The transaction was completed on July 14, 2021.

Through the acquisition, the DiaSorin Group will gain access to Luminex's multiplexing technology and a portfolio that will strengthen its existing offering, while expanding the Group presence in the United States. Additionally, this deal will provide access to Luminex's applications throughout the Life Science industry, supporting access to academic and scientific research, expanding engagement with biopharma companies, and increasing access to clinical multiplexing assays for future Value Based Care projects.

The acquisition was financed through:

- A financing agreement amounting to USD 1,000 million, through which the lending banks have made the amount available to DiaSorin Inc.. The financing agreement contains commitments that are customary for agreements of a similar type and size, such a guarantee and disclosure obligations, negative pledge and events of default clauses, and compliance with certain financial ratio;
- the senior unsecured equity-linked bond amounting to €500 million. Following the approval by the Board of Directors on April 27, 2021, the Company successfully placed the bond issue with settlement on May 5, 2021, and maturity on May, 5 2028;
- the Group's cash on hand, amounting USD 114 million.

Luminex develops, produces and sells proprietary biological testing technologies and products with leading applications throughout the Diagnostics and Life Science industries. Luminex is a leader in multiplexing technology, one of the fastest growing markets in the molecular space, with more than 900 active clients. With its first-class technology and extensive Life Science solutions supporting clinical and pharmaceutical research and development in addition to diagnostic applications of partners with which Luminex established a stable commercial relation, Luminex is highly complementary to DiaSorin's growing diagnostics segment.

The Group consolidated values of the acquired business as from the transaction date.

Further details on the assets acquired and the provisional allocation of the price paid for the acquisition are provided in notes to the Consolidated financial statements (paragraph "Business combinations").

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4. Review of the Group's operating performance and financial position

Income Statement in 2021 and comparison with 2020

(€ thousands)	**12/31/2021**	**As a% of revenues**	**12/31/2020**	**As a% of revenues**
Sales and service revenues	1,237,654	100.0%	881,305	100.0%
Cost of sales	(412,883)	33.4%	(278,400)	31.6%
Gross profit	**824,771**	**66.6%**	**602,905**	**68.4%**
Adjusted Gross profit	**830,957**	**67.1%**	**n.a.**	**n.a.**
Sales and marketing expenses	(211,342)	17.1%	(144,064)	16.3%
Research and development costs	(70,091)	5.7%	(50,800)	5.8%
General and administrative expenses	(93,270)	7.5%	(72,083)	8.2%
Total operating expenses	**(374,703)**	**30.3%**	**(266,947)**	**30.3%**
Other operating income (expense)	(30,569)	2.5%	(11,732)	1.3%
EBIT	**419,499**	**33.9%**	**324,226**	**36.8%**
Adjusted EBIT	**465,127**	**37.6%**	**n.a.**	**n.a.**
Financial income/(expense)	(20,164)	1.6%	(2,853)	0.3%
Profit before taxes	**399,335**	**32.3%**	**321,373**	**36.5%**
Income taxes	(88,603)	7.2%	(73,077)	8.3%
Net profit for the period	**310,732**	**25.1%**	**248,296**	**28.2%**
Adjusted Net profit for the period	**356,943**	**28.8%**	**n.a.**	**n.a.**
EBITDA [(1)]	**515,492**	**41.7%**	**385,260**	**43.7%**
Adjusted EBITDA	**543.061**	**43.9%**	**n.a.**	**n.a.**

[(1)] Looking at the data on the Table, the Board of Directors defines EBITDA as the "operating result" before amortization of intangibles and depreciation of property, plant and equipment. EBITDA is a measure used by the Company to monitor and evaluate the Group's Parent Company operating performance and is not defined as an accounting measure in IFRS and therefore shall not be considered an alternative measure for assessing the Group's Parent Company operating result performance. Since the composition of EBITDA is not regulated by the reference accounting standards, the criterion of determination applied by the Group's Parent Company may not be homogeneous with that adopted by other operators and/or groups and therefore it may not be comparable.

Net revenues

In 2021, the DiaSorin Group generated **revenues amounting to € 1,237,654 thousand** (€ 881,305 thousand in 2020) up by 40.4% compared to 2020 (+41.2% at CER). Net of Luminex sales, revenues amounted to **€ 1,042,609 thousand,** up by 18.3%, (+19.4% at CER). The growth difference at constant and current exchange rates led to a negative impact on revenues equal to € 6 million, due to the depreciation of the U.S. dollar, Brazilian real, and partially offset by the revaluation of the Chinese Yuan.

Group revenues, net of Luminex revenues, are detailed as follows:

- CLIA revenues, net of Vitamin D and COVID products, increased by 27.8% (28.3% at CER), on the back of the positive contribution from sales of Latent Tuberculosis tests, Gastrointestinal, Hepatitis and Retrovirus tests panel;
- Vitamin D sales were +7.8% (+9.4% at CER). The change is mainly due to the recovery of volumes, which had been negatively impacted by the 2020 pandemic;
- Revenues from molecular tests, net of COVID products, slightly decreased by 1.3% over 2020, as a result of a negative foreign exchange effect (+1.6% at CER). The limited growth at CER is mainly attributable to lower flu test sales as a consequence of distancing and individual protection measures implemented to contain COVID;
- ELISA revenues, as expected, decreased by 14.0% (-13.0% at CER), as a result of the Siemens business contraction following the expected termination of the supply agreement in the third quarter of 2020;
- Instruments sales and other revenues decreased by 3.1% (-2.5% at CER), mainly due to robust COVID sales in 2020.

Luminex sales, from the acquisition date, contributed **€ 195.045 thousand** to Group revenues: worth mentioning is the strong performance of the molecular business on the Aries® and Verigene® platforms and of Licensed Technologies which, in the second half of 2021, recorded an overall increase of approx. 20% over the previous year (also on the back of COVID Aries sales), partly offset by the decline in Non-Automated Assays revenues due to lower COVID testing sales versus the peak recorded in 2020.

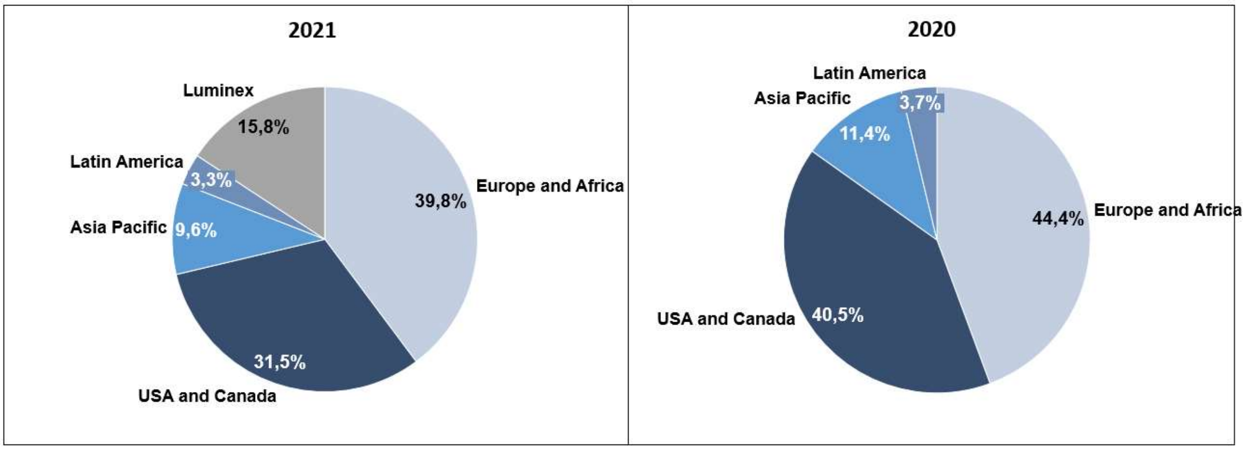
More generally, COVID molecular and serology revenues in 2021 were € 377,703 thousand, at Group level; excluding the Luminex contribution, the increase was equal to € 75,997 thousand, or +28.6% compared to 2020.

Breakdown of revenues by geography

In order to facilitate the comparison with the previous year, 2021 reports Luminex revenues that are not allocated by geography.

(€ thousands)	**2021**	**2020**	**% Change at current exchange rates**	**% Change at constant exchange rates**
Europe and Africa	492,648	391,430	25.9%	25.9%
USA and Canada	389,713	357,117	9.1%	12.0%
Asia Pacific	119,364	100,598	18.7%	16.4%
Latin America	40,884	32,160	27.1%	31.4%
Luminex	195.045	n.a.	n.a.	n.a.

Total	**1,237,654**	**881,305**	**40.4%**	**41.2%**



Europe and Africa

Europe and Africa sales region generated revenues for € 492,648 thousand, up 25.9% compared to 2020, in line with the change at CER. It should be noted that compared with 2020:

i) Revenues were up by 26.9% in Italy, on the back of COVID molecular sales and CLIA panel, particularly Latent Tuberculosis and Gastrointestinal infections and the recovery of Vitamin D sales;

ii) revenues in the Spanish market increased by 45.2%. The growth was driven by the upward trend in COVID molecular sales, Latent Tuberculosis tests, Gastrointestinal infections and Vitamin D tests;

iii) Sales in the German market increased by 2.1%, buoyed by CLIA business sales and partially offset by the downward trend in Siemens ELISA business for the expected termination of the supply agreement in the third quarter of 2020;

iv) Upward trend in the French market with a growth of 22.5%, on the back of robust COVID-19 molecular sales and the positive trend of CLIA business, particularly Latent Tuberculosis and Infectious Diseases panel;

v) Revenues from distributors were up by 46.1% (+47.7% at CER), on the back of COVID-19 test sales and the upward trend in CLIA sales.

USA and Canada

In 2021, the region generated revenues for € 389,713 thousand, up 9.1% (+12.0% at CER) compared to 2020 (€ 357,117 thousand).

Immunodiagnostic sales were up 9.0% (+12.5% at CER), driven by increased ex-COVID test volumes (Latent Tuberculosis, Gastrointestinal infections, Infectious Diseases, Hepatitis and Retrovirus), which more than offset the decline in SARS-CoV-2 serology tests.

Sales of molecular tests were up 9.2% (+11.6% at CER), largely driven by the marketing of tests used to identify patients positive to SARS-CoV-2. The growth offset the decline in sales of flu tests, due to distancing and individual protection measures adopted during the pandemic.

Asia Pacific

Total revenues in 2021 amounted to € 119,364 thousand (€ 100,598 thousand in 2020), up 18.7% (+16.4% at CER) compared to 2020.

The change (at CER) is the net result of:

i) increase of 11.6% in sales generated in the Chinese market. Upward trend of CLIA sales as against the headwinds faced starting from the first quarter of 2020, following the stringent lockdown measures implemented in 2020 by local authorities and resulting in a decrease in revenues;

ii) increase of 19.6% in sales generated in Australia. Growth driven by the good performance of CLIA business and particularly sales of Vitamin D tests, Latent Tuberculosis and Gastrointestinal infections.

Latin America

The Latin American sales region recorded revenues of € 40,884 thousand, up 27.1% (+31.4% at CER) compared to € 32,160 thousand in 2020.

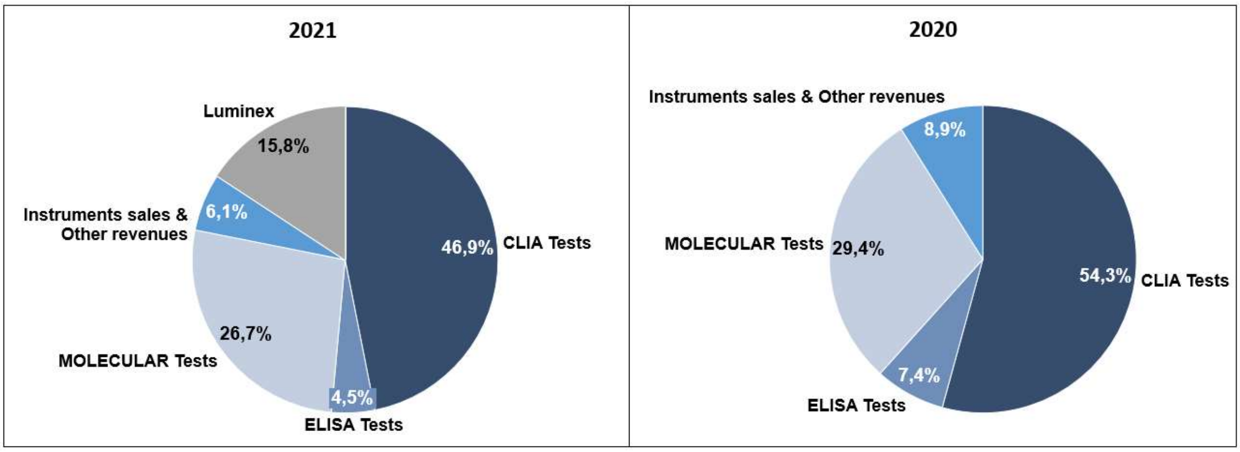
The change was due to the good performance of CLIA test sales, particularly Vitamin D, the availability of SARS-CoV-2 serology tests in the various countries of this region. A breakdown by country (at CER) is as follows:

i) sales in the Brazilian market, up 24.8%;

ii) sales in the Mexican market, up 6.7%.

Breakdown of revenues by technology and installed base

(€ thousands)	**2021**	**2020**
CLIA tests	46.9%	54.3%
ELISA tests	4.5%	7.4%
MOLECULAR tests	26.7%	29.4%
Instruments sales & other revenues	6.1%	8.9%
Luminex	15.8%	n.a.
Total	**100.0%**	**100.0%**



The breakdown of sales by technology is affected by the consolidation of Luminex technologies starting from July 2021. CLIA sales accounted for 46.9% of total Group revenues in 2021, down compared to 2020 (equal to 54.3%). The percentage of total revenues represented by molecular sales decreased from 29.4% in 2020 to 26.7% in 2021. The percentage of revenues represented by ELISA tests, instrument sales and other revenues decreased from 7.4% in 2020 to 4.5% in 2021 and from 8.9% in 2020 to 6.1% in 2021, respectively. Luminex technologies accounted for 15.8% of Group revenues.

Operating performance

The adjusted gross profit was € 830,957 thousand, up 37.8% as against € 602,905 thousand in 2020; its ratio to revenues decreased to 67.1%, from 68.4% in 2020. The decrease is due to a different product mix and to the consolidation of the Luminex business, which has a lower margin compared to the DiaSorin portfolio. The gross profit was **€ 824,771 thousand**.

Operating expenses, net of higher amortization deriving from the Luminex Purchase Price Allocation, amounted to € 356,643 thousand, up 33.6% compared to 2020: their ratio to total revenues down to 28.8%, from 30.3% in 2020. The change is due to the strong operating leverage generated by increased COVID revenues.

Sales and marketing expenses were € 197,108 thousand, excluding amortization deriving from the Luminex acquisition, and increased by € 53,044 thousand or 36.8% compared to 2020 (€ 144,064 thousand). This item consists mainly of costs related to the sale force and costs incurred to launch new products, as well as costs of technical support provided to customers. The ratio to total revenues decreased from 16.3% in 2020 to 15.9% in 2021. The increase of these expenses in absolute value is due to the Luminex inclusion in the scope of consolidation.

Research and development costs, equal to € 66,265 thousand, net of the Luminex Purchase Price Allocation, increased by 30.4% compared to 2020 (€ 50,800 thousand); their ratio to total revenues was equal to 5.4% versus 5.8 percentage points in 2020. The increase of these expenses, in the absolute value, is due to the Luminex inclusion in the scope of consolidation and to the increase in the assets supporting the development of new products and technologies.

Other operating expenses, net of € 21,382 thousand relating to the costs for the Luminex acquisition and integration, were € 9,187 thousand as against € 11,732 thousand in 2020, which included the write-down of certain commercial intangibles of the Indian subsidiary.

Adjusted EBITDA amounted to **€ 543,061 thousand**, up 41.0% compared to 2020 e with an incidence to revenues of 43.9%. When excluding the foreign exchange impact, **Adjusted EBITDA** increased by 41.8% compared to 2020, equal to 43.9% of revenues.

EBITDA amounted to € 515,492 thousand, up 33.8% compared to 2020, equal to 41.7% of revenues in 2021 from 43.7% in 2020.

Adjusted EBIT amounted **to € 465,127 thousand,** (€ 324,226 thousand in 2020), up 43.5% compared to 2020, equal to 37.6% of revenues from 36.8% in 2020. EBIT was € 419,499 thousand, up 29.4% compared to 2020, equal to 33.9% of revenues.

Financial income and expense

In 2021, net financial expense amounted to € 20,164 thousand, as against € 2,853 thousand in 2020.

Interest expense and other financial charges include:
- € 1,923 thousand in costs for the bridge line to support the Luminex acquisition;
- € 6,018 thousand in financial charges related to the convertible bond issued by the Parent Company and recognized at amortized cost;
- € 7,802 thousand in bank loan to support the Luminex acquisition (interests and other charges recognized at amortized cost);
- € 2,238 thousand in financial expense on leases (€ 1,263 thousand in 2020).

Net exchange rate differences on other financial balances, which were positive by € 1,422 thousand (negative by € 992 thousand in 2020) mainly referred to the impact of exchange rates fluctuation on subsidiaries' financial balances denominated in foreign currencies.

Profit before taxes and net profit

2021 ended with a result before taxes of € 399,335 thousand (€ 460,706 thousand, net of costs for the Luminex acquisition and those deriving from the PPA), up 24.3% as against € 321,373 thousand in 2020, equal to 32.3% of revenues (37.2% net of costs for the Luminex acquisition and those deriving from the PPA), down from 36.5% in 2020, as a result of higher financial charges.

Income taxes were € 88,603 thousand (€ 73,077 thousand in 2020), with a tax rate of 22.2%, slightly improving compared to 22.7% in 2020.

Adjusted net profit in 2021, equal to **€ 356,943 thousand**, increased by € 108,647 thousand or 43.8% compared to 2020, with an incidence on revenues of 28.8% (28.2% in 2020). Net profit was € 310,732 thousand.

STATEMENT OF FINANCIAL POSITION OF THE GROUP AT DECEMBER 31, 2021

The consolidated statement of financial position at December 31, 2021 is shown below:

(€ thousands)	**12/31/2021**	**12/31/2020**
Goodwill and Intangible assets	1,943,369	356,737
Property, plant and equipment	276,197	140,497
Other non-current assets	42,579	35,295
Net working capital	361,924	217,906
Other non-current liabilities	(270,237)	(99,463)
Net invested capital	**2,353,832**	**650,972**
Net financial debt	**(985,894)**	**305,347**
Total shareholders' equity	**1,367,939**	**956,319**

At December 31, 2021, non-current assets increased to € 2,262,145 thousand at December 31, 2021, compared to December 31, 2020 (€ 532,529 thousand). The increase is due to the Luminex inclusion in the scope of consolidation and the consequent recognition of intangible assets (equal to € 900,026 thousand) and Goodwill (equal to € 600,412 thousand), as identified and assessed during the Purchase Price Allocation process, in addition to property, plant and equipment and the other non-current assets that have been already accounted for by Luminex.
Investments in intangible assets refer to the LIASON NES project, whilst investments in property, plant and equipment, in addition to the LIASON NES, refer to the expansion of the lines to manufacture plastic consumables for CLIA LIAISON instruments and plastics for integral Liaison components.

Other non-current liabilities were € 270,237 thousand, increasing by € 170,774 thousand compared to December 31, 2020, due to the Luminex contribution and the recognition of deferred taxes on the intangibles identified in the Purchase Price Allocation, for an amount of € 214,922 thousand.

A breakdown of the net working capital is provided below:

(€ thousands)	**12/31/2021**	**12/31/2020**
Trade receivables	217,588	165,678
Ending inventories	298,049	191,234
Trade payables	(84,773)	(65,485)
Other current assets/liabilities [(1)]	(68,940)	(73,521)
Net working capital	**361,924**	**217,906**

[(1)] Other current assets/liabilities are defined as the algebraic sum of receivables and payables other than financial and commercial items

At December 31, 2021, the net working capital was € 361,924 thousand, an increase of € 144,018 thousand compared to the previous year. The increase in trade receivables, equal to € 51,910 thousand, and in inventories, equal to € 106,815 thousand, are attributable to the Luminex inclusion in the scope of consolidation

At December 31, 2021, the **net financial debt** was **negative by € 985,894 thousand.**

The table that follows shows the consolidated net financial debt:

	(€ thousands)	**12/31/2021**	**12/31/2020**
A	Cash on hand	403,020	339,881
B	Cash equivalents	-	-

C	Other current financial assets	-	126
D	**Cash (A + B + C)**	**403,020**	**340,007**
E	Current financial debt (including debt instruments, but excluding the current portion of non-current financial borrowings)	9,644	4,209
F	Current portion of non-current financial borrowing	90,767	**-**
G	**Current financial debt (E+F)**	**100,411**	**4,209**
H	**Net current financial debt (G - D)**	**(302,609)**	**(335,798)**
I	Non-current financial debt (excluding the current portion and debt instruments)	848,982	30,451
J	Debt instruments	439,520	-
K	Trade payables and other non-current borrowings	-	-
L	**Non-current financial debt (I + J + K)**	**1,288,502**	**30,451**
M	**Total financial debt (H + L)**	**985,894**	**(305,347)**

As regards financial liabilities the following is detailed:

- the equity-linked bond issue with a nominal amount of €500,000,000 denominated "€500million Zero Coupon Equity Linked Bonds due 2028", issued by DiaSorin on May 5, 2021, and maturing on May, 5 2028. The "Convertible Debt" item, equal to € 439,520 thousand, includes the measurement, at amortized cost, of the liability arising from the issue described above;
- the Financing Agreement signed on April 11, 2021 through which the Lending Banks have made available to DiaSorin Inc. the "Term Loan" credit line disbursed on July 12, 2021, when the transaction closed for an amount of USD 1,000,000,000. Interest accrues on the amount financed at an annual rate equal to Libor plus a spread of 1.05%, variable according to the value of the ratio between consolidated net financial indebtedness and consolidated adjusted EBITDA, as contractually defined. The Financing Agreement contains commitments that are customary for agreements of a similar type and size, such a guarantee and disclosure obligations, negative pledge and events of default clauses, and compliance with certain financial ratio. This liability is measured at amortized cost and, at December31, 2021, amounted to € 879,516 thousand.

Further details on the debt instruments are provided in the Notes to the financial statements.

At December 31, 2021, the **consolidated shareholders' equity** was **€ 1,367,939 thousand** (€ 956,319 thousand at December 31, 2020) and includes n. 1,202,000 treasury shares, equal to 2.15% of the share capital, for a total value of € 120,022 thousand.
The table below shows a reconciliation of net profit and shareholders' equity of the Group's Parent Company to the corresponding consolidated data at December 31, 2021:

(€ thousands)	**Net profit at 12/31/2021**	**Shareholders' equity at 12/31/2021**
Amount in the financial statements of the Parent Company DiaSorin S.p.A.	**138,848**	**667,993**
Difference between the carrying amount of equity investments and the value of the underlying shareholders' equity	-	731,767
Profits/(Losses) of consolidated companies	191,621	-
Elimination of unrealized intra-Group profits, net of the applicable tax effect	(7,802)	(31,822)
Elimination of intra-group dividends	(11,934)	-

Amount in the consolidated financial statements	**310,732**	**1,367,939**

ANALYSIS OF CONSOLIDATED CASH FLOWS

A complete statement of consolidated cash flows is provided in the financial statements. A schedule showing a condensed consolidated statement of cash flows, followed by a review of the main statement items and the changes that occurred compared to the previous year is provided below.

(€ thousands)	**12/31/2021**	**12/31/2020**
Cash and cash equivalents- Opening balance	**339,881**	**157,552**
Net cash from operating activities	400,664	304,562
Cash used for investing activities	(110,436)	(73,023)
Cash used from/(for) financing activities	1,273,668	(90,034)
Business combinations, net of cash acquired	(1,500,757)	-
Change in net cash before investments in financial assets	***63,139***	***141,505***
Investments in financial assets	-	40,824
Change in net cash	***63,139***	***182,329***
Cash and cash equivalents – Closing balance	**403,020**	**339,881**

At December, 31 2021, available **liquid assets** held by the Group amounted to **€ 403,020 thousand**, up € 63,139 thousand compared to December 31, 2020.
The cash flow from operating activities increased to € 400,664 thousand, up by € 96,102 thousand from the previous year, following the growth in the operating result and the Luminex inclusion in the scope of consolidation. Tax payments amounted to € 118,096 thousand (as against € 36,891 thousand in 2020). The higher amount of taxes paid is attributable to the increase in Group revenues, primarily in the United Stated and Italy. Taxes paid by the Parent Company DiaSorin S.p.A report the temporary effect of failure to use the patent box benefit, the renewal of which is still pending.

Investing activities absorbed cash for € 110,436 thousand, as against € 73,023 thousand in 2020. The difference is due to the several investment plans to support the Group's growth, such as the Liaison NES (commented above) and the investments for manufacturing activities in China.

In 2021, **free cash flow** was **€ 300,699 thousand**, an increase of € 68,476 thousand compared to € 232,223 thousand in 2020.
Net cash from financing activities amounted to € 1,273,668 thousand, as against € 90,034 thousand in 2020. This cash generation is the result of the financing operations described above to fund the Luminex acquisition.

Dividend distribution amounted to € 54,709 thousand (€ 52,053 thousand in 2020), and the net purchase of treasury shares, net of stock options exercise*,* amounted to € 8,579 thousand.

It Should be noted €1,500,757 for the Luminex acquisition, net of cash and cash equivalents acquired. Specifically, the amount includes:

- the price paid, equal to € 1,451,434 thousand;

- the cash acquired at the time of the acquisition, equal to € 249,148 thousand;
- the bond loan (paid back later) equal to € 222,199 thousand and the positive impact of the related call spread/warrant instruments, equal to € 17,779 thousand;
- the exercise of the Luminex Equity Plan following the extraordinary transaction, equal to € 103,494 thousand;
- the effects deriving from two derivatives to hedge the Deal Contingent FX Forward transaction price, equal to € 9,443 thousand.

5. TRANSACTIONS RESULTING FROM NON-RECURRING, ATYPICAL AND/OR UNUSUAL OPERATIONS

Consistent with Consob Communication No. DEM/6064293 of July 28, 2006, in 2021, the Group did not carry out atypical and/or unusual transactions as provided by the Communication, which defines as atypical and/or unusual transactions those transactions that, because of their significance/materiality, type of counterparty, purpose, method used to determine the transfer price and timing (close to the end of the year), could give rise to doubts with regard to: the accuracy/completeness of the disclosure provided in the financial statements, conflict of interests, safety of the corporate assets and protection of minority shareholders. In 2021, no significant and non-recurring operations occurred in addition to the Luminex acquisition described in paragraph "ACQUISITIONS OF COMPANIES AND BUSINESSES".

E-MARKET SDIR CERTIFIED

6. MAIN RISKS AND UNCERTAINTIES TO WHICH DIASORIN S.P.A AND THE GROUP ARE EXPOSED

Risks related to general economic conditions

The income statement and financial position of DiaSorin S.p.A. and the Group are unavoidably affected by macroeconomic factors beyond the Company's control.

In the vast majority of the markets where the Group operates, the products distributed by the DiaSorin Group are part of basic medical care coverage, which, generally, is funded by national health services or private insurance companies. Some countries where the Group operates may question costs of welfare system, in which health care has a central role. This phenomenon can lead to increase pressure to reduce refunds for medical care and, in some cases, the volumes of laboratory tests ordered by physicians.

This implies an impact on the market where DiaSorin operates, despite diagnostics accounts for only a marginal portion of health care spending in the main industrialized countries.

In 2021, despite the ongoing COVID-19 pandemic, DiaSorin continued its research, manufacturing and distribution activities without disruptions in all the Group sites, in compliance with the provisions intended to ensure its employees' safety. For this reason, the Company has not identified significant COVID-19-related risks which may threaten its business continuity.

Risks related to the Group's international presence and expansion

Because of their presence in several countries in Europe and elsewhere in the world, the Company and the Group are exposed to numerous risk factors. Moreover, the Group's success and its international development are tied to its ability to expand sales of its products to emerging markets. However, under the current economic conditions, which have been negatively impacted by the current pandemic, some markets are characterized by social, economic and political instability. In countries where it does not operate through a subsidiary, the Group uses independent distributors to sell its products. As a rule, these distributors are small or medium-sized companies with limited financial resources, whose risk could be to slow sales growth in the abovementioned countries or increase the risk that a distributor may become insolvent.

Risks related to funding requirements

A prudent cash management strategy includes maintaining sufficient cash or readily available assets and credit lines, to meet immediate liquidity needs. Cash flows, funding requirements and liquidity levels are monitored centrally to ensure promptly and effectively the availability of financial resources and invest appropriately any excess liquidity.
In 2021, the Luminex acquisition involved the use of medium/long term loans which can ensure a proper level of liquidity and the repayment policy of which is suitable with the potential of the Group cash generation.
Management believes that the funds and credit lines currently available, when combined with the resources generated by operating and financing activities, will enable the Group to meet the obligations resulting from its capital investment programs, working capital requirements and the need to repay its indebtedness upon maturity.

Credit risk

In certain emerging countries, receivables owed to the Company and to the Group can be affected by the limited financial liquidity of local customers and therefore the collection terms may be significantly longer than the contractual payment terms.

Risks associated with foreign exchange and interest rate fluctuations

The Group operates in countries and markets where the reporting currency is not the euro and, consequently, it is exposed to the risk related to fluctuation in foreign exchange rates. With regard to revenues, the currencies to which DiaSorin is more exposed are the US Dollar (accounting for about 44% of revenues in 2021), the Chinese yuan (accounting for about 4% of revenues in 2021) and the Canadian dollar (accounting for about 5% of revenues in 2021).
From a balance sheet point of view, a significant portion of the debt from Luminex acquisition is denominated in US Dollar (about two thirds), consistently with the currency of the assets acquired and with the economic composition of the Group revenues.
Future fluctuations of the euro versus other currencies may have an impact on the income statement, balance sheet and financial position of the Company and of the Group.

With regard to interest rates, note that:

- floating-rate interest, as contractually defined, accrues on the debt denominated in U.S. dollars of the subsidiary DiaSorin Inc.'s for the Luminex acquisition: the company used Interest Rate Swaps as a hedge (activated at December 31, 2021 on the entire debt denominated in U.S. dollars) against potential negative impacts deriving from any rise in U.S. interest rates;
- interest expense does not accrue on the convertible bond issued by the Group's Parent Company.

Therefore, the Group is not significantly exposed to risks associated with interest rate fluctuations as it has proper hedging instruments.

Commercial risk

DiaSorin operates in a market characterized by major competitors that use particularly aggressive strategies and exert pressure on sales price. This applies to high-volume products, the so-called mainstream products, that are present in all competitors' menus. In order to limit this phenomenon, DiaSorin developed a strong specialty menu to enter niche markets.

Furthermore, following the trend recorded in countries where small lab chains merged into big chains, revenues could be concentrated at some major customers. Potential risks connected to this phenomenon are mitigated through the adoption of long-term contracts and the implementation of a commercial strategy aimed at expanding the customer base, which is composed of medium and small-sized hospital laboratories.

7. Significant events occurring after December 31, 2021 and business outlook

As regards business outlook, Management expects that in 2022 the DiaSorin Group should be able to deliver:

Revenues: substantially in line with 2021 (approx. -2%), of which COVID-19 revenues equal to approx. € 150 million and ex-COVID revenues increasing by 24.0% approx.

ADJUSTED EBITDA MARGIN equal to approx. 35%

The Group does not expect material negative impacts deriving from the conflict between Ukraine and Russia, as it is not significantly exposed in such area.

8. Review of the operating performance and financial position of DiaSorin S.p.A.

Foreword

The 2021 separate financial statements have been prepared in compliance with the International Accounting Standards (IFRS) issued by the International Accounting Standards Board ("IASB") and approved by the European Union and are consistent with the provisions issued in implementation of Art. 9 of Legislative Decree No. 38/2005.

Income statement in 2021 and comparison with 2020

INCOME STATEMENT

(€ thousands)	2021	as a % of revenues	2020	as a % of revenues
Sales and service revenues	583,093	100.0%	471,019	100.0%
Cost of sales	(304,025)	52.1%	(241,931)	51.4%
Gross profit	**279,068**	**47.9%**	**229,088**	**48.6%**
Sales and marketing expenses	(37,359)	6.4%	(33,101)	7.0%
Research and development costs	(24,066)	4.1%	(27,768)	5.9%
General and administrative expenses	(42,146)	7.2%	(36,769)	7.8%
Total operating expenses	**(103,571)**	**17.8%**	**(97,638)**	**20.7%**
Other operating income (expenses)	(8,118)	1.4%	(1,484)	0.3%
non-recurring amount	*(9,867)*	*1.7%*	*(711)*	*0.2%*
EBIT	**167,379**	**28.7%**	**129,966**	**27.6%**
Financial income/(expense)	13,018	2.2%	62,533	13.3%
Profit before taxes	**180,397**	30.9%	**192,499**	40.9%
Income taxes	(41,549)	7.1%	(28,283)	6.0%
Result for the reporting period	**138,848**	**23.8%**	**164,216**	**34.9%**
EBITDA (1)	**191,054**	**32.8%**	**152,758**	**32.4%**

(1) Looking at the data on the Table, the Board of Directors defines EBITDA as the "operating result" before amortization of intangibles and depreciation of property, plant and equipment. EBITDA is a measure used by the Company to monitor and evaluate the Group's Parent Company operating performance and is not defined as an accounting measure in IFRS and therefore shall not be considered an alternative measure for assessing the Group's Parent Company operating result performance. Since the composition of EBITDA is not regulated by the reference accounting standards, the criterion of determination applied by the Group's Parent Company may not be homogeneous with that adopted by other operators and/or groups and therefore it may not be comparable.

Net revenues

In 2021, the Group's Parent Company reported net revenues of € 583,093 thousand (€ 471,019 thousand in 2020), up 23.8 percentage points compared to the previous year. The following provides a breakdown of revenues by geographic region of destination.

Breakdown of revenues by geographic region

(€ thousands)	**2021**	**2020**	**% Change**
Revenues from third customers - Italy	**157,034**	**124,194**	**26.4%**
Revenues from third customers - International	**71,724**	**57,849**	**24.0%**
Europe and Africa	22,413	16,692	34.3%
Asia Pacific	37,940	32,715	16.0%
USA and Canada	-	-	n.a.
Latin America	11,371	8,441	34.7%
Intercompany revenues	**354,335**	**288,976**	**22.6%**
Europe and Africa	202,368	165,979	21.9%
Asia Pacific	47,334	31,540	50.1%
USA and Canada	95,976	81,194	18.2%
Latin America	8,657	10,263	-15.7%
Total	**583,093**	**471,019**	**23.8%**

In 2021, the Group's Parent Company's revenues amounted to € 157,034 thousand, up € 32,840 thousand, equal to an increase of 26.4 percentage points compared to 2020. This growth was mainly driven by sales of COVID molecular tests, increased QuantiFERON Latent Tuberculosis test sales and the recovery of routine and specialty tests, particularly Vitamin D.

Third-party revenues from international customers amounted to € 71,724 thousand, up by € 13,875 thousand compared to 2020 (+24.0%). In these geographies the increase is mainly attributable to the routine test recovery and only partially to COVID-19 test sales.

Intercompany revenues, equal to € 354,335 thousand, were up 22.6 percentage points in the periods under comparison (equal to € 65,359 thousand). This growth is detailed as follows by geographical area:

(1) increased revenues in the European markets, equal to € 36,389 thousand (+21.9%);

(2) Increased revenues in Asia Pacific, equal to € 15.794 thousand (+50.1%). The year 2021 recorded sales recovery in China, which had been penalized by long lockdown periods in 2020;

(3) Increased revenues in USA and Canada, equal to € 14,782 thousand (+18.2%), mainly on the back of increased QuantiFERON Latent Tuberculosis test sales;

(4) Decreased intercompany revenues in the Latin American market, equal to € 1,606 thousand. This change is mainly attributable to local subsidiaries' sales moving towards products that are produced and commercialized by other Group's company.

Breakdown of revenues by technology

% Impact on revenues	**2021**	**2020**
CLIA tests	64.0%	64.7%
ELISA tests	4.6%	7.3%

MOLECULAR tests	14.3%	9.6%
Instrument sales and other revenues	17.1%	18.4%
Total	**100.0%**	**100.0%**

The increase in the contribution provided by Molecular technology, accounting for 14.3% of total Parent Company's revenues, was mainly due to sales of COVID- 19 molecular tests in the domestic market and to the European subsidiaries.

Operating performance

The Parent Company's gross profit totaled € 279,068 thousand, up by € 49,980 thousand compared to 2020 (+21.8%). The ratio of gross profit to revenues was 47.9%, slightly down compared to 2020 (48.6%), as a result of the product and technology mix.
Operating expenses amounted to € 103,571 thousand; their ratio to total revenues was 17.8%, down by 3 percentage points compared to 20.7% in 2020. All functional groups of operating expenses recorded lower growth rates in relation to revenues growth, particularly research and development costs benefitted from an increased project capitalization compared to 2020.

The balance of other operating charges and income was negative by € 8,118 thousand and includes € 9,867 thousand in non-recurring charges, mainly in relation to the Luminex Group acquisition and integration.

EBITDA amounted to € 191,054 thousand, up 25.1% as against € 152,758 thousand in 2020, with an incidence to revenues of 32.8%, in line with 2020.

EBIT amounted to € 167,379 thousand, an increase of € 37,413 thousand compared to 2020 (+28.8%), equal to 28.7% of revenues (27.6% in 2020).

Financial performance

In 2021, net financial income amounted to € 13,018 thousand, as against € 62,533 thousand in 2020.
The amount includes dividends received from subsidiaries, amounting to € 11,934 thousand in 2021, as against € 85,399 thousand del 2020.

In 2021, net interest income from Group companies equal to € 1,106 thousand (€ 1,071 thousand in 2020) derived from loans provided to subsidiaries for an amount of € 1,076 thousand.

Financial items in the period include € 6,017 thousand in financial charges related to the convertible bond issued by the Group's Parent company, recognized at amortized cost.

Net foreign exchange differences on other financial balances, which were positive by € 11,017 thousand (negative and equal to € 703 thousand in 2020), include:
- positive exchange rate differences of € 10,007 thousand, on the back of the translation into USD of the gains deriving from the convertible bond issue, which aimed at increasing DiaSorin Inc.'s share capital in relation to the Luminex acquisition;
- net foreign exchange differences on intercompany financing facilities and bank accounts in foreign currency were positive by € 1,010 thousand (negative by € 640 thousand in 2020).

Profit before taxes and net profit

In 2021, the Parent Company's profit before taxes amounted to € 180,397 thousand, down from € 192,499 thousand in 2020, due to lower dividends received from subsidiaries, financial costs of the

convertible bond and non-recurring charges related to the Luminex acquisition. The incidence on revenues was 30.9% (40.9% in 2020).
The income tax liability in 2021 amounted to € 41,549 thousand, with a 23% tax rate versus 2020 (14.7%). The increase compared to 2020 was the net result of increased dividends.
The net profit was € 138,848 thousand, down by 15.4% compared to € 164,216 thousand in 2020, as a result of the combined effects above.

Statement of financial position of the Group's Parent Company at December 31, 2021

The table below shows a breakdown of the financial position of the Group's Parent Company at December 31, 2021:

(€ thousands)	**12/31/2021**	**12/31/2020**
Goodwill and other Intangible Assets	121,357	117,419
Total property, plant and equipment	72,231	63,311
Equity investments	658,288	113,476
Other non-current assets	26,223	8,852
Net working capital	165,271	149,857
Other non-current liabilities	(30,298)	(27,410)
Net invested capital	**1,013,072**	**425,505**
Non-current financial receivables to Group companies	**42,206**	**41,826**
Net financial debt	**(387,285)**	**58,360**
Shareholders' equity	**667,993**	**525,691**

Non-current assets (excluding financial receivables) increased to € 860,070 thousand (€ 303,058 thousand in 2020), primarily due to the increase in the value of DiaSorin Inc. equity interest following the share capital increase for the Luminex acquisition. The increase in other intangible assets reflected greater capitalization of research and development costs.

Non-current liabilities were € 30,298 thousand, an increase of € 2,888 thousand compared to December 31, 2020 and include liabilities for employee benefits, provisions for risks and charges and long-term payables.

A breakdown of net working capital is provided below:

(€ thousands)	**12/31/2021**	**12/31/2020**	**Change**
Trade receivables	156,210	135,036	21,174
Inventories	120,130	112,565	7,565
Trade payables	(79,711)	(65,386)	(14,325)
Other current assets/liabilities (1)	(31,358)	(32,358)	19,029
Net working capital	**183,300**	**149,857**	**33,443**

(1) The item other current assets/liabilities is defined as the algebraic sum of receivables and payables other than financial and commercial items.

In 2021, net working capital recorded an increase of € 33,443 thousand.

The increase of € 7,565 thousand in ending inventories was due to increased manufacturing volumes to support increased sales.

Trade receivables increased by € 21,174 thousand compared to December 31, 2020, mainly due to the contribution provided by the other Group companies as a consequence of the growth in the overall turnover.

Trade payables amounted to € 79,711 thousand at December 31, 2021, an increase of € 14,325 thousand, mainly vis-à-vis the other Group companies.

Other current assets/liabilities were negative by € 13,329 thousand at December 31, 2021.

At December 31, 2021, the Parent Company's **net financial debt** was negative by **€ 387,285 thousand**. Further details are provided in the section on consolidated statement of cash flow of DiaSorin S.p.A.

The table that follows provides a breakdown of the net financial debt [(*)]:

	(€ thousands	**12/31/2021**	**12/31/2020**
A	Cash on hand	146,446	134,304
B	Cash equivalents	-	-
C	Other current financial assets	6,600	6,139
D	**Cash (A+B+C)**	**153,046**	**140,443**
E	Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(89,806)	(71,771)
F	Current portion of non-current financial debt	-	-
G	**Current financial debt (E+F)**	**(89,806)**	**(71,771)**
H	**Net current financial debt (G-D)**	**63,240**	**68,672**
I	Non-current financial debt (excluding the current portion and debt instruments)	(11,005)	(10,312)
J	Debt instruments	(439,520)	-
K	Trade payables and other non-current debts	-	-
L	**Non-current financial debt (I+J+K)**	**(450,525)**	**(10,312)**
M	**Total financial debt (H+L)**	**(387,285)**	**58,360**

(*) In accordance with the Consob Communication no. DEM/6064293 of 28 July 2006 the net financial position does not include non-current financial assets.

It should be noted that net financial debt of the period was impacted by the convertible bond issue having a nominal amount of €500,000,000, issued by DiaSorin on May 5, 2021, and maturing on May, 5 2028. The item "non-recurring financial liabilities" includes the accounting at amortized cost of liabilities deriving from the issue described above, amounting to € 440 million at December 31, 2021.

At December 31, 2021, **shareholders' equity** amounting to **€ 667,993 thousand** (€ 525,691 thousand at December 31, 2020) included no. 1,202,000 treasury shares, equal to 2,15% of the share capital, for a total of € 120 million.
In 2021, the change in the reserve for treasury share was due to the purchase of treasury shares for € 19,377 thousand, net of the exercise of 10,798 total options, for a total of € 8,579 thousand.

ANALYSIS OF CASH FLOW

A complete statement of cash flow is provided in the financial statements. A schedule showing the statement of cash flow, followed by a review of the main statement items and the changes that occurred compared to 2020, is provided below:

(€ thousands)	**2021**	**2020**
Cash and cash equivalents- opening balance	**134,304**	**38,444**

Cash provided by operating activities	127,960	115,473
Cash used in investing activities	(562,058)	70,169
Cash provided by financing activities	446,240	(89,782)
Net change in cash and cash equivalents	***12,142***	***95,860***
Net change in cash	***12,142***	***95,860***
Cash and cash equivalents- closing balance	**146,446**	**134,304**

At December 31, 2021, available **liquid assets** held by the Group's Parent Company amounted to **€ 146,446 thousand**, an increase of € 12,142 thousand compared to December 31, 2020.

The cash flow from operating activities amounted to € 127,960 thousand, as against € 115,473 thousand in 2020. In 2021, tax payments increased to € 59,269 thousand from € 21,869 thousand in 2020, as a result of the balance of the previous year and the failure to use the benefit from the patent box, which is now under renewal.
Cash used in investing activities totaled € 542,058 thousand, as against € 25,530 thousand in 2020 and include mainly the DiaSorin Inc's share capital increase by € 538,951 thousand.
Investments in medical equipment totaled € 6,454 thousand (€ 6,026 thousand in 2020), investments in manufacturing and distribution equipment needed to support the manufacturing operations amounted to € 2,731 thousand (€ 1,406 thousand in 2020). In addition, development costs of € 11,946 thousand were capitalized in 2021 vs. development costs of € 8,362 thousand in 2020.

A breakdown is as follows:

- Distribution of ordinary dividend equal to € 54,709 thousand (€ 52,053 in 2020);
- Purchase and sale of treasury shares to service the stock options plans for an amount of € 8,579 thousand (purchase/sale of treasury shares equal to € 26,093 thousand in 2020);
- Convertible bond issue with a nominal value of € 500,000,000 million (as described above) to finance the acquisition of the Luminex Group;
- increase of financial items vis-à-vis Group companies, for a total of € 15,194 thousand (decrease of € 8,905 thousand in 2020).

9. RELATED-PARTY TRANSACTIONS

DiaSorin S.p.A. engages on a regular basis in commercial and financial transactions with its subsidiaries, which are also Group companies. These transactions, which are executed on standard market terms, consist of the supply of goods and services, including administrative, information technology, personnel management, technical support and consulting services, which produce receivables and payables at the end of the year, and financing and cash management transactions, which produce income and expenses. The impact of these transactions on the single items of the statement of financial position, the income statement and the cash flow is summarized in the financial statements and detailed in Note 28s of the consolidated Financial Statements and in Note 28 of the annual Financial Statements.

The "Procedure for Related-Party Transactions" for 2021 can be consulted on the company's website (www.diasoringroup.com).

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE
pursuant to article 123-*bis* "TUF"

(Traditional management and control model)

Issuer: DIASORIN S.p.A.
Website: www.diasoringroup.com
Financial year to which the Report refers: 2021
Date of approval of the Report: March 16, 2022

GLOSSARY

“**Chief Executive Officer**” or “**CEO**”: the Director to whom the Board has assigned the functions of Chief Executive Officer of the Issuer. At the date of this Report, the position of Chief Executive Officer is held by Mr. Carlo Rosa.

"**Shareholders' Meeting**": the Issuer’s Shareholders' Meeting.

“**Borsa Italiana**”: Borsa Italiana S.p.A.

“**Code" or "Corporate Governance Code**”: the Corporate Governance Code for listed companies approved in July 2018 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, available at www.borsaitaliana.it;

“**Corporate Governance Code" or "CG Code**”: the Corporate Governance Code for listed companies approved in January 2020 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, available at www.borsaitaliana.it, effective as of January 1, 2021.

"**Civil Code" or "c.c.**": the Italian Civil Code.

“**Board**” or “**Board of Directors**”: the Issuer’s Board of Directors. Information on its composition at the date of this Report is provided in Table 2.

"**Board of Statutory Auditors**": the Issuer’s Board of Statutory Auditors. At the date of this Report, it is composed of Ms. Monica Mannino (Chairman), Ms. Ottavia Alfano and Mr. Matteo Michele Sutera (Statutory Auditors).

"**CRS Committee**": the Issuer’s Control, Risks and Sustainability Committee.

“**CN Committee**”: The Issuer’s Compensation and Nominating Committee.

"**Documents Officer**": the Corporate Accounting Documents Officer. At the date of this Report, the position of Corporate Accounting Documents Officer is held by Mr. Piergiorgio Pedron.

“**Executives with Strategic Responsibilities**” or “**ESR**”: persons identified by the Board who, pursuant to the Related Parties Regulation, have authority and responsibility for planning, directing and controlling the activities of the Issuer, either directly or indirectly. The Board identified as ESR the Senior Corporate Vice President & Chief Financial Officer and Corporate Accounting Documents Officer in the person of Mr. Piergiorgio Pedron, the Senior Corporate Vice President Human Resources in the person of Mr. Stefano Ronchi, and the Senior Corporate Vice President Industrial Operations in the person of Mr. Ugo Gay.

“**Issuer**”, “**Company**” or “**Diasorin**”: DiaSorin S.p.A., the securities Issuer to which the Report refers.

“**Year**”: the year to which the Report refers.

"**Euronext Milan**": the market segment managed by Borsa Italiana S.p.A. on which the Issuer’s shares are traded, referred to as "Telematic Stock Market " until October 25, 2021.

"**Oversight Body**" or "**OB**": the Issuer’s Oversight Body appointed pursuant to Legislative Decree 231/2001.

"**Chairman**": the Chairman of the Board of Directors. At the date of this Report, the position of Chairman is held by Mr. Gustavo Denegri.

“**Issuers' Regulation**” or “**IR**”: the Regulation issued by Consob with Resolution No. 11971 of 1999 (as amended) on issuers.

"**Consob Market Regulation**": the Regulation issued by Consob with Resolution No. 20249 of 2017 (as amended) on markets.

"**Related Parties Regulation**": the Regulation issued by Consob with Resolution No. 17221 of March 12, 2010 (as amended) on related-party transactions.

"**Report**": the Report on corporate governance and ownership structure drawn up by DiaSorin, pursuant to Article 123-*bis* of the TUF, for the reporting year.

"**ICRMS**": the Issuer's Internal Control and Risks Management System.

"**Concentrated Ownership Companies**": companies in which one or more shareholders participating in a shareholders' voting agreement hold, either directly or indirectly (through subsidiaries, trustees or third parties), the majority of the votes that can be exercised in the ordinary shareholders' meetings.

"**Large Company**": the company whose capitalization was greater than €1 billion on the last exchange business day of each of the previous three calendar years.

"**By-Laws":** the current Issuer's By-Laws, last amended on October 4, 2021.

"**Consolidated Law on Finance/TUF**": the Legislative Decree No.58 of February 24, 1998 (as amended).

"**Deputy Chairman"**": the Deputy Chairman of the Board of Directors. At the date of this Report, the position of Deputy Chairman is held by Mr. Gustavo Denegri.

1. PROFILE OF THE ISSUER

Diasorin S.p.A. was granted permission to trade on the former Italian Telematic Stock Market, organized and managed by Borsa Italiana S.p.A, Star segment, on July 19, 2007.
Subsequently, after the company entered the FTSE MIB Index (where it was listed until December 23, 2013 and then listed again on December 4, 2018, until today), the Issuer submitted a request of voluntary exclusion from the STAR segment.
The Issuer does not qualify as a SME, pursuant to art 1, paragraph 1, letter w-*quater*.1), of the TUF and to art. 2-*ter* of the Consob Issuers' Regulation.
Diasorin's system of Corporate Governance, as described in this Report, is consistent with the main recommendations of the Corporate Governance Code (subject to the specifications provided in this Report) to which Diasorin adheres.
Based on the provisions of the Corporate Governance Code, the Issuer qualifies as (i) a Large Company since on the last Exchange business day of 2018, 2019 and 2020 its capitalization was greater than €1 billion and (ii) a concentrated ownership company since Finde s.s., directly and indirectly through IP Investimenti e Partecipazioni S.r.l. and Finde S.p.A., holds the majority of the votes that can be exercised in the ordinary shareholders' meeting.
This Report describes the corporate governance structure, as set forth in the By-Laws in force.
Diasorin is organized in accordance with the conventional management and control model referred to in articles 2380-*bis* and following of the Italian Civil Code. Accordingly, it includes a Shareholders' Meeting, a Board of Directors and a Board of Statutory Auditors.
Pursuant to a resolution approved by the Shareholders' Meeting on April 28, 2016, the independent auditing function has been awarded to "PricewaterhouseCoopers S.p.A.". The assignment will end upon approval of the financial statements as at December 31, 2024.
Pursuant of articles 3 and 4 of Legislative Decree 254/2016, the Issuer is required to prepare the Consolidated Non-Financial Statement, published as an annex to the Annual Financial Report, (published on the Issuer's website in the Section "Investors/Financial Corner/Financial Statements and Reports", to which reference is made for more information), which presents the main policies applied by the company, management models and the main activities carried out by the Group in 2021 with regard to the issues expressly referred to by legislative Decree 254/16 (environmental, social and employee-related matters, respect for human rights, fight against corruption), as well as the main risks identified with those issues.
The Board of Directors, as part of the process of adjustment to the recommendations contained in the Corporate Governance Code, promotes the integration of sustainability issues within its corporate governance system and the compensation policy, in the terms described in the following Report and summarized in Section 18 "*Considerations on the letter dated December 3, 2021 from the Chairman of the Corporate Governance Committee*".

E-MARKET SDIR CERTIFIED

2. INFORMATION ABOUT SHARE OWNERSHIP (PURSUANT TO ART. 123-BIS, SECTION 1, TUF) AS AT DECEMBER 31, 2021.

a) Share capital structure (pursuant to art. 123-bis, section 1, letter a), TUF)

As at December 31, 2021, a breakdown of the Company's share capital of 55,948,257.00 (subscribed and fully paid-in) is as follows:

SHARE CAPITAL STRUCTURE				
	Number of shares	*Number of voting rights***	*Listed*	*Rights and obligations*
Ordinary share (par value 1 € each) without increased voting rights ISIN IT0003492391	27,978,833*	27,978,833	Euronext Milan	Rights and obligations are those provided in arts. 2346 et seq. of the Civil Code. Specifically, each share gives right to one vote, without prejudice to the shares that accrued increased voting rights, pursuant to art. 9-*bis* of the By-Laws
Ordinary share (par value 1 € each) with increased voting rights ISIN IT0005188385	27,969,424	55,938,848	Euronext Milan	Rights and obligations are those provided in arts. 2346 et seq. of the Civil Code; the shares that have accrued increased voting rights pursuant to Article 9-bis of the By-Laws are entitled to two share votes.

* N. 1,192,000 treasury shares currently held in the Company's portfolio; the number of treasury shares was 1,202,000 at 12.31.2021.
** The amount of voting rights was equal to 83,917,681 at 12.31.2021.

It should be noted that the Extraordinary Shareholders' Meeting held on October 4, 2021 resolved to increase the share capital in cash, against payment and in separate issues, for a maximum par value of €2,370,411, in addition to €497,629,589 by way of share premium for the convertibility of the bond issue called "€ 500 million Zero Coupon Equity Linked Bonds due 2028" to be paid up in one or more tranches by means of the issue of the Company's common shares, according to the criteria established by the relevant regulation, it being understood that the deadline for the subscription of the shares is set at May 5, 2029 and where the share capital increase had not been fully subscribed it will be in any case increased by the amount deriving from the subscriptions made by that date and effective as from the same dates, with express authorization for the directors to issue the new shares as and when they are subscribed. The authorized share capital amounts to € 58,318,668.

In 2021, a number of shareholders, each of them holding a number of voting rights lower than 3% of the total amount of voting rights, accrued increased voting rights in accordance with article 9-*bis* of the By-Laws. As at December 31, 2021, no. 27,969,424 shares accrued increased voting rights (see Section 2, Lett. **d**). At the date of this Report, no. 32,498,746 shares accrued increased voting rights.

Total amount of voting rights, the updated list of Shareholders registered in the Special List to benefit of increased voting rights and holding equity investment of more than 3% of the company's share capital, along with Shareholders entitled to increased voting rights (two votes for each share held) and holding a number of voting rights exceeding 3% of the total amount of voting rights pursuant to art. 85-bis, section 4-bis and 143-quater, section 5, of the Consob Issuers'

Regulation, are published on the Company's website at www.diasoringroup.com in the Section "Governance/Information for Shareholders/Increased voting rights", where further information on increased voting rights is provided.

Stock Option Plans

The terms of the Stock Option Plans currently in force and, namely "DiaSorin S.p.A. 2016 Stock Option Plan" (**"2016 Plan"**), "DiaSorin S.p.A. 2017 Stock Option Plan" (**"2017** Plan"), "DiaSorin S.p.A. 2018 Stock Option Plan" (**"2018** Plan"), "DiaSorin S.p.A. 2019 Stock Option Plan" (**"2019** Plan"), "DiaSorin S.p.A. 2020 Stock Option Plan" (**"2020** Plan") and "DiaSorin S.p.A. 2021 Stock Option Plan" (**"2021** Plan") are available in the Disclosure Memoranda on the Issuer's website (www.diasoringroup.com, Section "Governance/Information for Shareholders/Stock Options Plans"). Updates are reported in the Report on the remuneration policy and fees paid available on the Issuer's website in the Section "Governance/Governance Documents/Shareholders' Meeting /2022".

b) Restrictions on transfer of securities (pursuant to art. 123-bis, section 1, letter b), TUF)

No restrictions on transfer of securities have been issued.

c) Significant equity interests (pursuant to art. 123-bis, section 1, letter c), TUF)

As at the date of this Report, Shareholders holding, either directly or indirectly, equity investments of more than 3% of the share capital (and/or a number of voting rights exceeding 3% of the total amount of voting rights), through pyramid structures and cross-shareholdings, in accordance with communications made pursuant to Art. 120 of the TUF and with information available to the Company, are as follows:

SIGNIFICANT EQUITY INTEREST					
Reporting party	**Direct shareholders**	**Number of shares**	**% of share capital***	**Number of voting rights****	**% of voting rights**
Finde SS	IP Investimenti e Partecipazioni S.r.l.	24,593,454	44.976	49,186,908	56.901
	Finde S.p.A.	570,000		1,140,000	
Rosa Carlo	Sarago S.r.l.	2,402,532	8.363	4,805,064	10.524
	Sarago 1 S.r.l.	2,226,682		4,453,364	
	Rosa Carlo	50,000		50,000	
Even Chen Menachem	MC S.r.l.	2,300,000	4.200	4,600,000	5.257
	Even Chen Menachem	50,000		50,000	
T. Rowe Price Associates, Inc.	T. Rowe Price Associates, Inc.	1,696,073	3.032	1,696,073	1.918

* The share capital consists of 55,948,257 shares (par value of €1.00).
** At 12.31.2021, the total amount of voting rights was 83,917,681, and at the date of this Report was 88,447,003.

d) Securities conveying special rights (pursuant to art. 123-bis, section 1, letter d), TUF)

On April 28, 2016, the Shareholders' Meeting approved amendments to the Company By-Laws, pursuant to art. 127-*quinquies* of Legislative Decree no. 58/1998 of the TUF, providing that two votes are attributed to each share that has been held by the same shareholder for a continuous period of at least twenty-four months from the date of registration in a special list (the "**Special List**"). The Shareholder may apply for the registration in the Special List at any time by the fifth trading day from the end of each calendar month and, in any case, by the trading day following the date as set forth in Article 83-*sexies*, paragraph 2 of the Legislative Decree 58/1998 (record date).

At December 31, 2021, shares that accrued increased voting rights amounted to 27,969,424; at the date of this Report shares that accrued increased voting rights amount to 32,498,746.

The list of Shareholders who, at the date of this Report, have obtained the registration to the Special List to benefit of increased voting rights as they hold equity investments of more than 3% of the share capital, the list of Shareholders who have an amount of voting rights exceeding 3% of the total amount of increased voting rights, and the total amount of voting rights are available on the Issuer's website (www.diasoringroup.com, Section "Governance/ Information for Shareholders/Increased voting rights") where additional information on increased voting rights is provided.

e) Employee stock ownership: mechanisms for the exercise of voting rights (pursuant to art. 123-bis, section 1, letter e), TUF)

No employee stock ownership plans have been issued, as defined in Article 123-bis, section 1, letter e), of the TUF.

f) Restrictions on voting rights (pursuant to art. 123-bis, section 1, letter f), TUF)

No restrictions of voting rights have been issued.

g) Shareholders' agreements (pursuant to art. 123-bis, section 1, letter g), TUF)

As far as the Issuer is aware, as at December 31, 2021, there were no relevant agreements between Shareholders, pursuant to Article 122 of the TUF.

h) Change of control clauses (pursuant to art. 123-bis, section 1, letter h), TUF) and statutory provisions on takeover bids (pursuant to art. 104, section 1-ter, and 104-bis, section 1, TUF)

Except for what is set forth on these clauses in the Report on the remuneration policy and fees paid, published pursuant to Article 123-*ter* of the TUF on the Issuer's website www.diasoringroup.com, Section "Governance/Governance Documents/Shareholders' Meeting/2022" to which reference is made, the Issuer entered into certain significant agreements for the acquisition of Luminex, whose validity is conditional upon or connected to the Company change of control.

More specifically:

- the "terms and conditions" of the equity-linked bond issue called "€500 million Zero Coupon Equity Linked Bonds due 2028", provide that during the period from the date on which the change of control ("Change of Control") occurs until the end of the sixtieth day following the change of control, or in the period commencing from the date the Company gives notification to the bondholders of a change of control until the end of the sixtieth day following the change of control (Relevant Event Period), each investor shall be granted either (i) the right to request the reimbursement of all or part of the Bonds at par value (principal amount), by exercising a put option, or (ii) the right, subsequent to any exercise of the conversion or settlement right, to convert the Bonds at a (new) conversion price temporarily modified on the basis of a specific formula, at the terms and according to the conditions of the Bond issue;

A Change of Control means a change of control of the Issuer if one or more individuals (with the exception of Finde s.s. and its subsidiaries), acting in concert with others or individually, acquire control of the Company or more than 50 % of the voting rights or control on the exercise of more than 50% of the Issuer's voting rights;

- the Senior Facilities Agreement, which was signed on April 11, 2021 by DiaSorin Inc. (as borrower),the Issuer (as guarantor), the Agent Bank (i.e., Mediobanca – Banca di Credito Finanziario S.p.A.) and a pool of Lending Banks, provides that, *inter alia*, where any person who, acting individually or in concert with others (with the exception of Finde s.s. and its subsidiaries) acquires Control (as described below) of the Issuer: (i) the Issuer shall promptly notify the Agent Bank of the change as soon as the Issuer is informed of such event; (ii) the lending banks will no longer be obliged to finance DiaSorin Inc.; and (iii) if one of the lending banks so requires and gives notice to the Agent Bank within 20 days after the Company has notified the change of control, the Agent Bank shall cancel the commitment of that bank to finance DiaSorin Inc. and shall declare the sums due to that bank immediately due and payable together with interests.

  "Control" means the right to exercise or control more than 50% of voting rights or the power to appoint the majority of the Board of the Issuer.

The Issuer’s By-Laws do not include exemptions to the provisions of the passivity rule envisaged by art. 104, Section 1 and 1-*bis* of the TUF nor do they provide for application of the neutralization rules referred to in Art. 104-*bis*, section 2 and 3, of the TUF.

i) Proxies for share capital increase and authorization to purchase treasury shares (pursuant to art. 123-bis, section 1, letter m), TUF)

On April 22, 2021, the Shareholders’ Meeting approved a motion to authorize the purchase and disposal of Diasorin S.p.A. common shares at the service of the 2021 Plan (approved by the Shareholders' Meeting's resolution on the same date) and, more specifically, resolved:

- to authorize, pursuant to and for the purposes of Article 2357 of the Italian Civil Code, the purchase, in one or more instalments over a period of 18 months counting from the date of the ordinary Shareholders' Meeting's resolution, of maximum no. 300.000 Company common shares for a consideration that may never be lower by more than 15% or higher by more than 15% than the official price posted for the DiaSorin shares during the stock market trading session that preceded each buy transaction, consistent with conditions and restrictions for trading set forth in Article 3 of (EU) Delegated Regulation no. 2016/1052; however, the maximum number of treasury shares held at any time in implementation of the resolution shall never exceed the ceiling set forth in the current applicable Regulation, counting also any Company shares from time to time held by the Company and by its subsidiaries;

- to empower the Board of Directors and the Board Chairman and the Chief Executive Officer on the Board’s behalf, acting either individually or in concert with others, to proceed with purchases of the shares for the abovementioned purposes and conditions, according to the schedule deemed to be in the Company’s best interest and on the terms set forth in the Issuers' Regulation, in accordance with Article 132 of the TUF, granting them the broadest powers for the execution of transactions subject of the resolution and any other related formality, including retaining the services of intermediaries qualified pursuant to law, with the option of appointing special representatives;

-to empower the Board of Directors, and the Board Chairman and the Chief Executive Officer on the Board's behalf , acting either individually or in concert with others, so that, pursuant to and for the purpose of Article 2537-ter of the Italian Civil Code, to dispose of the treasury shares purchased in accordance with this resolution at any time, in whole or in part, in one or more instalments, without time limits, even before completing the planned purchases, as follows: (i) through allocation to the Beneficiaries of the 2021 Plan, in accordance with the terms and conditions of the same 2021 Plan; ii) residually, should there be any remaining treasury shares when the 2021 Plan expires (or the 2021 Plan is fully utilized or becomes wholly or partly ineffective), through destination for other purposes permitted by law, including their use to serve other Stock Option Plans adopted by the Company under the terms and conditions established by the Plans themselves or through transactions in a regulated market or through other methods of disposition allowed by the applicable Regulation, provided that any sale on the regulated market shall not have a price per share lower by more than 15% than the official price posted for the DiaSorin shares during the stock market trading session that preceded each transaction; transactions involving the disposal of treasury shares held by the Company shall always be executed in accordance with the laws and Regulation in force governing the trading in listed securities, including the procedures contemplated under Article 13 of MAR. Transactions may be carried out in one or more instalments, as gradually as it may be deemed appropriate in the Company's interest;

The Shareholders' Meeting ordered that, pursuant to law, the purchases subject of this authorization be contained within the limit corresponding to the distributable earning and available reserves shown in the latest duly approved financial statements (including interim reports) available when the transaction is executed, and that all of the accounting entries required pursuant to law and the applicable accounting principles be made in connection with the purchase and disposal of treasury shares.

The Board of Directors initiated the purchase program of treasury shares on July 30, 2021; as part of the program that has not yet been completed at the date of this Report, a total of 15,000 common shares have been purchased, equal to 0,027% of the share capital, for a total value of € 2,911,327.81.

Given the purpose of these authorizations, the transactions involving treasury shares are consistent with Article 5 of (EU) Regulation no. 596/2014 (the Market Abuse Regulation, hereinafter "**MAR**") and the procedures contemplated under Article 13 of MAR.

At December 31, 2021, Diasorin held no. 1,202,000 treasury shares, corresponding to 2.1484% of its share capital.

As at the date of this Report, Diasorin holds no.1,192,000 treasury shares, corresponding to 2.131% of its share capital.

All other disclosure required by the applicable regulation is available in the Explanatory Report of the Board of Directors dated March 11, 2021 and published, pursuant to law, also on the Company website (www.diasoringroup.com in the Section "Governance/Governance Documents/Shareholders' Meeting /2021".

l) Management and coordination activities (pursuant to art. 2497 et seq. Italian civil code)

Even though Article 2497-sexies of the Italian Civil Code states that "*unless proof to the contrary is provided, it is presumed that management and coordination authority over a company is exercised by the company or entity required to consolidate that company's financial statements or otherwise controls it, pursuant to Article 2359 of the Italian Civil Code,*" neither Finde Società Semplice nor IP Investimenti e Partecipazioni S.r.l., exercise management and coordination authority over the Company.
Specifically, the Issuer in its corporate and entrepreneurial endeavors operates independently of Finde s.s., its controlling company, and IP Investimenti e Partecipazioni S.r.l. Consequently, the

Issuer's relationship with Finde s.s. and IP Investimenti e Partecipazioni is limited to the normal exercise by these companies of the administrative and ownership rights inherent to their status as shareholders (such as voting at Shareholders' Meetings and collecting dividends).

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It is specified that the information required by Article 123-bis, Section 1, Letter i) of the TUF on "*Agreements between the Company and its Directors, Management Board or Supervisory Board members, which envisage indemnities in the event of resignation or dismissal without just cause or if their employment relationship terminates following a public purchase offer*" are illustrated in the Report on the Remuneration policy and fees paid drawn up in accordance with Article 123–*ter* of the TUF and available on the Company's website (www.diasoringroup.com, Section "Governance/Governance Documents/Shareholders' Meeting/2022").
Information required under Article 123-*bis*, Section 1, Letter l) of the TUF on "*Provisions applicable to the appointment and substitution of Directors, Management Board or Supervisory Board members, as well as to the amendment to the Articles of Association, if different from the legislative and regulatory provisions applicable as a supplementary measure*" are illustrated in the section of the Report dedicated to the Board of Directors (paragraph 4.2).

3. COMPLIANCE (pursuant to art. 123-bis, section 2, letter a), TUF)

The Issuer adopted the CG Code approved in January 2020 by the Corporate Governance Committee, which is composed of the Business Associations (ABI, ANIA, Assonime, Confindustria), Borsa Italiana S.p.A. and the Association of Professional Investors (Assogestioni).

During the Board of Directors meeting held on November 11, 2021, DiaSorin examined the recommendations contained in the new edition of the Corporate Governance Code that had not been previously transposed and, on December 16, 2021, the Board of Directors passed the necessary resolutions in order to comply with it.

The CG Code is available to the public on the Borsa Italiana S.p.A. website at *https://www.borsaitaliana.it/committee-corporate-governance/codice/2020.pdf.*

Finally, none of the Company's subsidiaries headquartered in foreign countries are subject to law provisions that are different from Italian laws and that could impact or influence the Company's corporate governance structure.

4. BOARD OF DIRECTORS

4.1. ROLE OF THE BOARD OF DIRECTORS (pursuant to art. 123-bis, section 2, letter d) and d-bis), TUF).

Powers and authorities of the Board of Directors
Pursuant to Article 15 of the By-Laws, the Board of Directors enjoys the broadest powers to manage the Issuer. In accordance with the abovementioned statutory provision and pursuant to Article 2365 of the Italian Civil Code, the Board of Directors also has jurisdiction (which may not be delegated to anyone but may be ceded to the Shareholders' Meeting) over the adoption of resolutions concerning the following:

- mergers and demergers, when permissible pursuant to law;
- the opening and closing of secondary offices;
- reductions of share capital in the event of Shareholders withdrawal;

- amendments to the By-Laws required pursuant to law;
- moving the Issuer's registered office to another location in Italy.

The Board of Directors performs a pivotal role within the corporate organization. Its task and responsibilities include setting strategic and organizational guidelines and ensuring that adequate controls to monitor the performance of the Issuer and the other companies of the Diasorin Group are in place.

As specified in the Regulation of the Board of Directors (the "**Board Regulation**") in accordance with the CG Code, the Board of Directors (i) leads the Issuer by pursuing its sustainable success (ii) defines the strategies of the Company and the Group it heads in accordance with this principle and monitors its implementation; (iii) defines the corporate governance system that is most functional for carrying out the company's business and pursuing its strategies, taking into account the flexibility offered by the legal framework. If necessary, the Board of Directors assesses and promotes the appropriate adjustments and submit them to the Shareholders' Meeting, when appropriate; (iv) promotes dialogue with shareholders and other stakeholders that are relevant for the company, in the most appropriate way; (v) performs, with the support of the internal committees, the powers and functions referred to in the CG Code and the applicable law on compensation and internal control and risks management. More specifically, the Board of Directors:

a) reviews and approves the business plan of the Company and the Group it heads, also on the basis of matters that are relevant for the long-term value generation, carried out with the support of the Control, Risks and Sustainability Committee;
b) periodically monitors the implementation of the business plan and assesses the general course of the business, by comparing the results achieved with those planned; in 2021, this assessment was carried out during the Board Meeting on March 11, 2021 and on March 16, 2022;
c) defines the nature and level of risk compatible with the company's strategic objectives, including all the elements that can be relevant for the company's sustainable success in its evaluations;
d) defines the corporate governance system of the Company and the structure of the Group it heads, and assesses the adequacy of the company's organizational, administrative and accounting structure and of its strategically relevant subsidiaries, with particular reference to the internal control and risks management system;
e) adopts internal procedures, including market abuse issues (EU Regulation no. 596/2014, so-called Market Abuse Regulation);
f) approves transactions of the company and its subsidiaries that have a significant impact on the company's strategies, profitability, assets and liabilities or financial position. In this regard, it should be noted that the Board has not established general criteria to identify transactions that have a significant impact on the company's strategies, profitability, assets and liabilities or financial position since the Board of Directors considers it more suitable to assess significant transactions on a case-by-case basis;
g) on December 16, 2021, the Board adopted a shareholder engagement policy (further information is provided in Section 14 "*Investor Relations*")

The Board of Directors is also responsible for the ICRMS (for which reference is made to the next Section **9**) and assesses the adequacy, efficiency and effective implementation of the system and defines the system's guidelines with the support of the members involved in the Company's ICRMS, namely the Control, Risks and Sustainability Committee, the Chief Executive Officer (the "**Chief Executive Officer**" or also the "**CEO**"), pursuant to the Corporate Governance Code, the Internal Audit Officer, the Corporate Accounting Documents Officer, the Board of Statutory Auditors and the Oversight Body of the Company.

Pursuant to Article 13 of the By-Laws, on the occasion of Board meetings but not less frequently than once a quarter, the governance bodies to whom powers have been delegated inform the Board of Directors and the Board of Statutory Auditors about the performance of the Issuer and of its subsidiaries, its business outlook and transactions that have a material impact on its income statement, balance sheet and financial position, focusing on transactions in which Directors may have an interest, directly or through third parties, or which may be influenced by a party with management and coordination authority.
Pursuant to Article 15 of the By-Laws, the Board of Directors, which is required to act with the mandatory input of the Board of Statutory Auditors, has jurisdiction over the appointment and dismissal of the Corporate Accounting Documents Officer and the determination of his compensation. The Company's Corporate Accounting Documents Officer must meet the integrity requirements of the relevant statutes currently in force for those who perform administrative and management functions, as well as professional requirements that include specific expertise in administrative and accounting issues. Expertise in these areas must be verified by the Board of Directors and must be the result of work performed in a position of sufficiently high responsibility for an adequate length of time.
Pursuant to Article 17 of the By-Laws, the Board of Directors can appoint one or more General Managers and determine their powers, which may include the power to appoint representatives or grant powers of attorney for specific transactions or classes of transactions. General Managers attend the Board of Directors meetings and are entitled to make non-binding recommendations with regard to the items on the agenda.
Pursuant to Article 15 of the By-Laws and Article 3, Principle XI of the Corporate Governance Code, the Board may establish committees and determine their composition and tasks. With regard to the Committees established internally by the Issuer's Board of Directors, refer to the following Sections 7.2 (Compensation and Nominating Committee), 9.2 (Control, Risks and Sustainability Committee) and 10.2 (Committee for Related-Party Transactions).
Pursuant to Article 12 of the By-Laws and Art. 3, Recommendation 18 of the Corporate Governance Code and the current Board Regulation, the Board of Directors may appoint a standing Secretary (the "**Secretary of the Board**"), even outside its members. In implementation of the aforementioned provisions, on December 21, 2020, the Board appointed Ulisse Spada, Manager of the Corporate Legal Affairs Department, as its standing secretary. Further information is provided in Section 4.5 below.

All members of the Board of Directors are required to make informed and independent decisions, pursuing the goal of creating value for the Shareholders, and undertake to devote to the diligent performance of their duties within the Issuer the time necessary, irrespective of the posts held outside the Diasorin Group, being fully aware of the responsibilities entailed by the office they hold.
During the meeting held on November 5, 2010, the Board approved the procedure to regulate related-party transactions; the updated procedure is available on the Company's website (www.diasoringroup.com, Section "Governance/Governance Documents") and detailed in Section 10.1 below.
The Issuer is required to publish information documents for significant transactions as per art. 70, paragraph 6 and art. 71, paragraph 1 of the Consob Issuers' Regulation as the Issuer did not exercise the right to waive the obligation to publish the abovementioned information documents.
The Shareholders' Meeting did not authorize general and precautionary derogations from the ban of competition set forth in article 2390 of the Italian Civil Code. No critical situation occurred on the matter.

4.2 APPOINTMENT AND REPLACEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS (pursuant to art. 123-bis, section 1, letter l), TUF)

The Issuer is managed by a Board of Directors comprised of at least 7(seven) and not more than 16 (sixteen) members. At the time of election, the Ordinary Shareholders' Meeting determines the size of the Board of Directors, within the abovementioned limits, and its term of office, which may not exceed three years. Directors may be re-elected.

The provisions of the By-Laws that govern the composition and election of the Issuer's Board of Directors have been designed to ensure compliance with provisions concerning rights of minority shareholders' rights, independence of Directors and gender balance.

In addition, the ability to serve as a Director is subject to the candidate meeting the requirements set forth in the statutory and regulatory provisions currently in force.

Regarding Regulation on gender balance, the reference regulatory framework has been recently amended under Budget Law no. 160/2019, in force since January 1, 2020, which has amended the procedure set forth in Article 147-ter, paragraph 1-ter of the TUF[1]. The Law imposed a mandatory gender quota for six board mandates and provides a mechanism whereby the quota of the less represented gender must be no less than two-fifths of the members, instead of one-third.

Consob, by resolution no. 21359 of 13 May 2020 amended the provisions of Paragraph 3, Article 144-undecies.1 of the Issuers' Regulation, regulating that if the application of the gender distribution criterion does not result in a whole number of members of the Board of Directors and Board of Statutory Auditors belonging to the less represented gender, this number is rounded up to the next higher unit, with the exception of the corporate bodies made up of three members whose number is rounded down[2].

The new criterion of at least two-fifths shall apply from the first re-election of the Board of Directors and/or Board of Statutory Auditors following the date of entry into force of the law; therefore, the By-Laws shall be updated so as to include the new rules that will applied upon the next re-election of the Board of Directors, which would occur at the Shareholders' Meeting convened to approve the financial statements at December 31, 2021.

In this regard, it should be noted that the Shareholders' Meeting held on April 22, 2021 has amended, among other things, Article 11 of the By-Laws relating to the composition (in terms of gender balance) of the slates which present a number of candidates equal to or greater than three, in order to eliminate the previous one-third quota and provide for a reference to the contents of the notice convening the Shareholders' Meeting to comply with the current law in force on gender balance; on the occasion of the next appointment of the Board of Directors, which would occur at the Shareholders' Meeting convened to approve the consolidated financial statements at December 31, 2021, the notice and the explanatory report shall require that the quota of the less represented gender must be no less than two-fifths of the members, rounded up to the next higher unit. This paragraph describes the procedures for the election of the Board of Directors in compliance with the provisions of the By-Laws.

Article 11 of the By-Laws requires that the Board of Directors be elected, in compliance with applicable gender balance laws and regulation, by a voting system based on slates of candidates filed by shareholders who, individually or in concert with others, represent the percentage of share capital subscribed at the date the slate is filed, which is laid down and published by Consob under

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[1] Paragraph 1-*ter,* of art. 147-*ter*, of the TUF, in force at the date of this Report provides, among other things, that "*the less represented gender must be no less than two-fifths of the directors elected. This criterion applies for six consecutive mandates*".

[2] Pursuant to paragraph 3, art. 144-*undecies*.1 of the Issuers' Regulation, as amended by Consob Resolution no. 21359 of 13 May 2020, "*if the application of the gender distribution criterion does not result in a whole number of members of the Board of Directors and Board of Statutory Auditors belonging to the less represented gender, this number is rounded up to the next higher unit, with the exception of the corporate bodies made up of three members whose number is rounded down*".

the Issuers' Regulation. As duly established by Art. 144- *septies*, paragraph 1, of the Consob Issuers' Regulation, under the Management Decision no. 60 of 28 January 2022 of the Head of the Corporate Governance Division, shareholders owning a shareholding equal to 1% of the share capital are entitled to present the slates of nominees to allocate the Directors to be elected.

Each shareholder, shareholders who are parties to a shareholders' agreement that qualifies as such pursuant to Article 122 of the TUF, as well as the Company's controlling party, its subsidiaries and joint ventures that qualify as such pursuant to Article 93 of the TUF may not file or participate in the filing, directly or through a third party or a nominee, of more than one slate and may not vote for multiple slates. Each candidate can be included in only one slate, on penalty of losing the right to be elected. Votes cast in violation of this provision will not be allocated to any slate.

Notwithstanding additional statutory disclosure and filing requirements, including those set forth in regulation currently in force, slates filed by Shareholders, duly signed by the filers, must be deposited at the Company's registered office, where they must be available to anyone upon request, at least 25 (twenty-five) days prior to the date of the first calling of the Shareholders' Meeting. The slates must be accompanied by the following documents: (i) information identifying the shareholders who are filing the slates and showing the total percentage of interest held; (ii) affidavits by which the individual candidates accept their nomination and attest, under their responsibility, that there are no issues that would make them incompatible or unelectable and that they meet the requirements of their respective offices; (iii) a curriculum vitae setting forth the personal and professional qualifications of each candidate and indicating whether a candidate qualifies as an independent Director. In addition, a special attestation issued by an intermediary qualified, pursuant to law, certifying the ownership, when the slate of candidates is being filed with the Company, of the number of shares needed to qualify for filing the slate must be filed with the Company within the deadline required by the rules applicable to the publication of slates of candidates by the Company.

Slates filed with a number equal to or with more than 3 candidates shall be composed of candidates belonging to both genders, as indicated in the notice convening the Shareholders' Meeting in accordance with the provisions currently in force on gender balance.

Slates filed in a manner that does not comply with the foregoing provisions shall be treated as if they were never filed.

The election of the Board Directors shall be carried out as follows:

(a) all except one of the Directors that need to be elected shall be taken from the slate that received the highest number of votes, in the consecutive order in which they are listed on the slate;

(b) the remaining Director is taken from a minority slate that is not connected in any way, directly or indirectly, with the parties who filed or voted for the slate referred to in paragraph (a) above and received the second highest number of votes cast by the shareholders, selecting for election the first candidate listed in the slate's numerical sequence. However, should the minority slate referred to in paragraph (b) above fail to receive a percentage of the votes equal at least to half the required percentage for filing a slate, as stated above, all of the Directors that need to be elected will be taken from the slate that received the highest number of votes referred to in paragraph (a) above.

If the candidates elected in the manner described above do not include a sufficient number of Directors who meet the independence requirements that apply to Statutory Auditors pursuant to Article 148, Section 3, of the TUF to achieve the minimum statutory percentage of the total number of elected Directors, the non-independent candidate elected last in the sequence listed in the slate that received the highest number of votes, as referred to in paragraph (a) above, shall be replaced with the first non-elected independent candidate who is listed next sequentially in the same slate or, alternatively, by the first non-elected candidate listed sequentially on other slates, based on the number of votes received by each slate. This replacement procedure shall be applied repeatedly until the Board of Directors includes a number of Directors who meet the requirements of Article 148, Section 3, of the TUF equal to at least the statutory minimum. As a further alternative, the replacement candidates may be elected by means of a resolution approved by the Shareholder's Meeting with a relative majority, provided candidates have been placed in nomination in accordance with statutory requirements.

If, upon conclusion of voting, the composition of the Board of Directors does not satisfy the gender balance enjoined by applicable laws and regulation, the nominee of the most highly represented gender who was the last to be elected in the sequential order of the slate that received the highest number of votes shall be replaced by the first candidate of the least represented gender who was not elected on the same slate, in the sequential order of that slate. The elected nominees shall be replaced according to the same procedure until the composition of the Board of Directors complies with applicable laws and Regulation in force on gender balance. If this procedure does not guarantee the final result indicated hereinabove, the Shareholders' Meeting shall make the necessary changes by resolution with the statutory majority of votes, upon submission of candidates belonging to the gender less represented.

If only one slate is filed or if no slate is filed, the Shareholder's Meeting shall approve its resolution with the majorities required by law without being required to comply with the procedure described above, in compliance with the laws currently in force on gender balance.

Lastly, pursuant to Article 11 of the By-Laws, if one or more Directors cease to be in office during the course of the year, provided the majority of Board members are still Directors elected by the Shareholders' Meeting, they shall be replaced in the manner described below, in accordance with the provisions of Article 2386 of the Italian Civil Code: (i) the Board of Directors appoints as replacements candidates taken from the same slate to which the Directors no longer in office belonged and the Shareholders' Meeting votes with the majorities required pursuant to law and in accordance with the principle described above; (ii) should there be no unelected candidates or eligible candidates left in the abovementioned slate or if the provisions of paragraph (i) above cannot be complied with for any reason, the Board of Directors and the Shareholders' Meeting elect replacements with the majorities required pursuant to law, without using a slate voting system.

In all cases, the Board of Directors and the Shareholders' Meeting shall carry out the election in a manner that will result in (i) the election of a total number of independent Directors equal to at least the minimum number required by the relevant statute provisionally in force and (ii) in compliance with the laws currently in force on gender balance.

If the majority of the Directors elected by the Shareholders' Meeting ceases to be in office, the entire Board of Directors shall be deemed to have resigned and a Shareholders' Meeting must be convened promptly by the Directors still in office to elect a new Board.

Additional information about the procedures for the election of the Board of Directors is provided in Article 11 of the By-Laws and in Section 7 below.

4.3. COMPOSITION (pursuant to art. 123-bis, section 2, letter d) and d-bis), TUF)

The Board of Directors was appointed by the ordinary Shareholders' Meeting on April 24, 2019 and its term of office is set to expire on the date the Shareholders' Meeting is called to approve the financial statements at December 31, 2021. It is composed of executives and non-executives Directors, all having appropriate responsibilities and skills for the duties assigned. The presence of 13 non-executive directors, including 8 independent directors, out of 15 members is sufficient to ensure that their opinion has a significant impact on the Board resolutions and that such resolutions are properly managed.

The Board of Directors was appointed on the basis of two slates. The first slate had been filed by IP Investimenti e Partecipazioni S.r.l. (jointly with Finde S.p.A), which certified its ownership of an equity interest equal to about 44.98% of the Company's common shares. The second slate had been filed as minority list by a number of asset management companies representing their funds, which certified their ownership of an overall equity interest equal to 1,012% of the Company's common shares.

Pursuant to the Company By-Laws, all except one of the Directors that needed to be elected were taken from the slate that received the highest number of votes, in this case from the slate filed by the reference shareholder IP Investimenti e Partecipazioni S.r.l. (with favorable votes amounting to 82.890% of the voting capital), in the consecutive order in which they were listed on the slates. The remaining Director was taken from the slate filed by the aforementioned asset management companies (with favorable votes amounting to 16.989% of the voting capital), selecting for election the first and only candidate in the list[3].

The current Board of Directors is comprised of the following 15 members:

First and last name	Place and date of birth	Post held	Date of the appointment
Gustavo Denegri	Turin, March 17, 1937	Chairman and Non-Executive Director	April 24, 2019
Michele Denegri	Turin, January 7, 1969	Deputy Chairman and Non-Executive Director	April 24, 2019
Carlo Rosa	Turin, January 15, 1966	Chief Executive Officer and Executive Director	April 24, 2019
Chen Menachem Even	Ashkelon (Israel), March 18, 1963	Executive Director	April 24, 2019
Giancarlo Boschetti	Turin, November 14, 1939	Non-executive Director	April 24, 2019
Luca Melindo	Turin, November 11, 1970	Non-executive Director	April 24, 2019
Stefano Altara	Turin, June 4, 1967	Non-executive Director	April 24, 2019
Giuseppe Alessandria	Novello Monchiero (CN), May 15, 1942	Independent Director	April 24, 2019
Franco Moscetti	Tarquinia (VT), October 9, 1951	Independent Director	April 24, 2019
Roberta Somati	Rivoli (TO), January 9, 1969	Independent Director	April 24, 2019
Francesca Pasinelli	Gardone Val Trompia (BS), March 23, 1960	Independent Director	April 24, 2019
Monica Tardivo	Turin, April 19, 1970	Independent Director	April 24, 2019
Tullia Todros	Turin, June 18, 1948	Independent Director	April 24, 2019

[3] On April 2, 2019, Roberto Rettani - the first candidate on the slate for the appointment of the Board of Directors- announced he withdrew from his application and its attendant acceptance for personal reasons. As a result of the communication by Mr. Rettani, the slate was considered as consisting of a single candidate, in the person of Elisa Corghi.

Fiorella Altruda	Turin, August 12, 1952	Independent Director	April 24, 2019
Elisa Corghi	Mantova, August 11, 1972	Independent Director	April 24, 2019

The table that follows summarizes personal and professional characteristics of each Director in office as at the year-end date and as at the date of this Report. Additional information is provided in the Directors' professional curricula at the Issuer's registered office and available at the Issuer's website at www.diasoringroup.com, Section "Governance/Governance Documents/ Shareholders' Meeting/2019" as part of the application forms and relevant documents.

First and last name	Post held	Education	Professional characteristics
Gustavo Denegri	Chairman and Non-Executive Director	Economic-management education	General Management
Michele Denegri	Deputy Chairman and Non-Executive Director	Economic-management education	General Management
Carlo Rosa	Chief Executive Officer and Executive Director	Economic-management education Scientific education	General Management (formerly Research and Development director)
Chen Menachem Even	Executive Director	Economic-management education Scientific education	Director of commercial operations at international level
Stefano Altara	Non-executive Director	Law education	Legal and Corporate Affairs Advisor
Fiorella Altruda	Independent Director	Scientific education	Research and Development Advisor
Giuseppe Alessandria	Independent Director	Economic-management education	Management Advisor
Giancarlo Boschetti	Non-executive Director	Economic-management education	General Management
Elisa Corghi	Independent Director	Economic-management education	General Management, financial analysis, governance
Luca Melindo	Non-executive Director	Economic-management education	Financial Advisor
Franco Moscetti	Independent Director	Economic-management education	Management Advisor
Francesca Pasinelli	Independent Director	Scientific-management	Management Advisor
Roberta Somati	Independent Director	Scientific education	Management Advisor
Monica Tardivo	Independent Director	Law education	Legal Advisor
Tullia Todros	Independent Director	Scientific education	Research and Development Advisor

For further information on the structure of the Board of Directors and Committees see Tables 2 and 3 annexed to this Report.

Diversity policies

In the meeting held on March 14, 2019, in compliance with the provisions of the Corporate Governance Code of listed companies (see articles 1.C.1. g) and h) and 2.P.4) of the CG Code (Article 2, principle VII., Recommendation 8 (ii)), on the input of the Nominating Committee and considering the evaluation results, the Board of Directors defined the guidance as to managerial and professional figures whose presence is considered appropriate within the Board, as well as regarding the criteria of diversity such as gender, managerial, professional, international skills and age group within the composition of the Board itself.

In this respect, the Board provided the following guidelines about the appointment of the Board of Directors by the Shareholders' Meeting called to approve the financial statements at December 31, 2018 on April 24, 2019. Such guidelines are disclosed in the explanatory report prepared pursuant to art. 125-*ter* of the TUF:

- taking into account the Company size and business, it is considered appropriate that the number of Directors does not exceed the current number of 15 (fifteen) Directors;
- on third of the Directors must meet the independence requirements, pursuant to art. 148, paragraph 3 of the TUF and of the Code;
- in compliance with legislation on gender balance, at least one third of Directors must belong to the less represented gender;
- as regards the policies on diversity (art. 123-*bis*, letter d-bis of the TUF) and in order to facilitate the understanding of the organization of the Company and of its activities, as well as the development of an efficient governance of the same, without prejudice to the legal requirement regarding gender balance, it is appropriate that: *(a)* the Board is characterized by the age diversity of its members; and *(b)* the educational and professional career of Directors guarantees a balanced combination of profiles and experiences, suitable to ensure the correct performance of its functions;
- to refer to each candidate the assessment of the compatibility of the appointment as Director of the Company with any additional offices of director and statutory auditor in other companies listed on regulated markets, in financial, banking, insurance companies or companies of significant size;
- with regard to the balance between executive and non-executive members, the presence of a managing director with broad management powers and having acquired specific experience and expertise in the Company is positively evaluated.

Company diversity policies that apply to the current composition of the Board of Directors are illustrated below.

Since the meeting held on April 22, 2013 to appoint corporate bodies and in the last renewal of their term office on 24 April 2019, the Company has complied with regulations on gender balance concerning the composition of said bodies during their renewal.
The Board of Directors in office (as at the year-end date and as at the date of this Report) is composed of 9 men and 6 women.

With the exception of Mr. Chen Even - Executive Director and Chief Commercial Officer – of Israeli origin, all the Board's members are Italian.

The Board of Directors is composed of members belonging to different age groups: 7% of Directors belong to the 40-50 age group, 47% of Directors belong to the 51-60 age group, 20% of Directors belong to the 61- 70 age group, a further 13% of Directors belong to the 71- 80 age group and again 13% of Directors belong to the 81-90 age group.

Professional experience and background of the Board members can be grouped into three macro areas: economics and management, science and law. In detail, 60% of members have an economics and management background, 26% of members have a science background and 14% of members have a law background. Most of them gained significant experience abroad, especially in the United States.

Professional experience and background of the Board members are provided in the professional curricula available at the Issuer's registered office and at the Issuer's website at www.diasoringroup.com, Section "Investors/Governance Documents /Shareholders' Meeting /2019", as part of the application forms and relevant documents.

The Board of Directors met on November 11, 2021 and resolved to implement Article 2, principle VII, Recommendation 8 of the Corporate Governance Code, providing that the diversity criteria for the composition of the Board of Directors are identified (i) in general terms within the Board Regulation and (ii) when the Board of Directors is called to approve the guidelines on the composition of the new Board.

In the meeting held on March 16, 2022, the Board of Directors, upon proposal of the Compensation and Nominating Committee and taking into account the evaluation outcomes, defined the guidance as to managerial and professional profiles whose presence is considered necessary within the Board, considering also the limits on the number of posts held in other companies (see below) diversity criteria such as gender, managerial, professional and international skills and age group within the composition of the Board itself.

In this respect, the Board provided the following guidelines about the appointment of the Board of Directors by the Shareholders' Meeting called to approve the financial statements at December 31,2021. Such guidelines are disclosed in the explanatory report prepared pursuant to art. 125-ter of TUF:

- taking into account the Company size and business, it is considered appropriate that the number of Directors does not exceed the current number of 15 (fifteen) Directors;
- on third of the Directors must meet the independence requirements, pursuant to art. 148, paragraph 3 of TUF and of the Corporate Governance Code;
- in compliance with regulations on gender balance, at least two fifths of Directors must belong to the less represented gender (rounded up to the next higher unit);
- as regards diversity policy (art. 123-*bis,* letter d-*bis* of the TUF) and in order to facilitate the understanding of the organization of the Company and its activities, as well as the development of an efficient governance of the same, without prejudice to the legal requirement regarding gender balance, it is appropriate that: (a) the Board is characterized by the age diversity of its members; and (b) the educational and professional career of Directors guarantees a balanced combination of profiles and experiences, suitable to ensure the correct performance of its functions;
- it is deemed necessary that each candidate complies with limits on the number of posts held in other companies, in order to ensure sufficient time availability for the correct performance of his duty;

- with regard to the balance between executive and non-executive members, the presence of a chief executive officer with broad management powers and who has acquired specific experience and expertise in the Company is positively evaluated.

Limits on the number of posts held in other companies

With regard to the posts held by Diasorin Directors in management and supervisory bodies of other companies, during the meeting held on December 16, 2021, the Board of Directors adopted its own Regulation (i.e. the Board Regulation) which identifies limits on the number of posts held as Director and Statutory Auditor in other companies listed in regulated markets (including abroad), in finance, banking and insurance companies or companies of significant size ("**Limits on the number of Posts**").

For the purposes of the Limits on the number of Posts covered by the aforementioned Board Regulation, relevant companies are defined as *(a)* companies with shares listed on regulated markets in Italy or abroad; (*b*) Italian or foreign companies other than the companies referred to in lett. (a) above, and operating in insurance, banking, securities brokerage, asset management or financial sectors; (*c*) Italian or foreign companies other than the companies referred to in lett. (a) and (b) above, which individually or jointly at group level, if they prepare the consolidated financial statements have net revenues exceeding € 200 million.

Executive Directors are not allowed to take up a post as executive directors in other relevant companies other than the Issuer and the maximum number of posts as non-executive director in other relevant companies other than the Issuer cannot exceed 4 posts. For non-executive directors the maximum number of posts as directors and statutory auditors in other relevant companies other than the Issuer cannot exceed 6 posts.
In the computation of the posts held, the following is not taken into account:

- posts held in companies that are directly or indirectly controlled by the Issuer, as well as in parent companies;
- posts held in holding companies where directors of the Issuer hold the majority of the voting rights that can be exercised in Shareholders' Meetings;
- posts held in companies or entities whose sole purpose is the management of private interests of the Issuer's director or of the spouse not legally separated, person bound in civil partnership or de facto cohabitation, relative or similar within the fourth degree and who do not require any type of daily management by the director himself;
- posts as alternate auditors and posts as directors and statutory auditors held in tertiary sector bodies are not taken into account (e.g., foundations, including bank foundations, associations, voluntary organization) including consortium companies, companies set up as consortia and cooperative firms that are not listed and posts held as professional in professional organizations.

The current composition of the Board of Directors complies with the above Limits on the number of Posts.
All members of the Board of Directors are also required to inform the Board of any new appointments to Boards of Directors or Boards of Statutory Auditors in other companies, in order to allow the Company to comply with the relevant statutory and regulatory disclosure requirements.

In duly performing their tasks, Directors accept the post taking into account the Limits on the number of Posts, the commitment related to each role also in the light of the nature and the size of the companies in which such positions are held, as well as of whether they belong to the Issuer's Group or have as company purpose merely the management of private interests of the director, without any daily management being requested by the director.
On March 16, 2022, the Board verified that posts held by its Directors in other companies comply with the Limits on the number of Posts.

The list of posts held by Directors in other companies is provided in the Table annexed to this Report.

***Induction program*.**

In line with the provisions of the Corporate Governance Code providing that each Director carries out his role in an efficient and informed manner, the Chairman and the Chief Executive Officer ensure that Directors and Statutory Auditors are kept constantly abreast of changes in the Company's operating climate and market environment, as well as in the major legislative and regulatory requirements concerning the Issuer and its Group.

In this context, directors were invited to participate in the Investor Day organized by the Issuer on December 17, 2021, where updates were provided on Diasorin business initiatives and strategies.

In addition, in 2021, matters defined by art. 3, Recommendation 12, let d) of the Corporate Governance Code (i.e., in-depth understanding of the Issuer's business, company dynamics and their evolutions also in relation to the company's sustainable success, principles of sound risks management, and laws and self-regulatory framework) have been regularly discussed at the Control, Risks and Sustainability Committee's meetings and submitted to the Board of Directors' meetings.

More specifically, as regards the applicable laws and self-regulatory framework (i) the amendments to Consob Related Parties Regulation and Consob Market Regulation provided for by Consob Resolution no. 21624 of 10 December 2020 (aimed at transposing, also at secondary legislation level, the contents of (EU) Directive 2017/828, the so-called "Shareholders' Right Directive") have been discussed in the Board of Directors' meeting on May 14, 2021, following which the Company adjusted its Related Parties Procedure to the aforementioned amendments; (ii) the meetings held on November 11, 2021 and on December 16, 2021, respectively, investigated the recommendations contained in the Corporate Governance Code.

The Company management has also been in constant contact with corporate bodies for the appropriate flows of information and/or updates on issues of interest.

The Issuer undertakes, in any case, to plan structured training programs when it is deemed necessary or when requested by directors and statutory auditors.

4.4. FUNCTION OF THE BOARD OF DIRECTORS (pursuant to art. 123- bis, section 2, letter d), TUF).

Pursuant to Article 13 of the By-Laws, the Board of Directors meets at the Company's registered office, or elsewhere, whenever the Chairman deems it necessary or when a meeting is requested by the Chief Executive Officer (if one has been appointed) or by at least three Directors, without prejudice to the right of other parties to call a Board meeting pursuant to law. If the Chairman is absent or incapacitated, Board meetings are called by the person who replaces him pursuant to Article 12 of the By-Laws (i.e., the Deputy Chairman or the oldest Director, in that order).
Meetings of the Board of Directors are validly convened when a majority of the Directors in office is in attendance and resolutions are adopted with a majority of the votes cast by the Directors attending the meeting. In the event of a tie, the Chairman has the tie-breaking vote (Article 14 of the By-Laws).
In order to avoid or manage potential conflict of interest, Executives with Strategic Responsibilities that are also members of the Board of Directors (namely Mr. Rosa and Mr. Even) abstain from voting on the resolutions concerning their compensation.
In compliance with the CG Code, in the meeting held on December 16, 2021, the Board approved the Board Regulation which governs, among other things, the procedure to convene the meeting,

timely flow of information and procedures for board meetings. More specifically, the Board is convened by the Chairman who plays a connecting role between executive and non-executive Directors, taking care of the effective functioning of the Board's work. The Chairman convenes the Board, defines the items on the agenda in agreement with the Chief Executive Officer and forwards the items on the agenda to Directors, to Statutory Auditors, at least three days before the date set for the meeting, with the exception of urgent cases, in which twenty-four hours' notice is required. The Board Regulation provides that any documentation relating to the items on the agenda will be made available to those concerned at least three working days before the meeting, with the exception of urgent cases or confidentiality needs.
Where it is not possible to provide the information in the aforementioned terms, the timing and scope of the flows of information will not be compromised and adequate and timely insights will be provided during the meeting.
The Chairman ensures that items on the agenda are properly discussed, promoting debate that is useful for the contribution that may arise for the purposes of the decisions to be taken. To this end, the Chairman may request that directors and managers of corporate functions of the Issuer or of the group and, where necessary, consultants may attend the meeting in order to provide appropriate supplemental information on items on the agenda.
In 2021, directors of the Issuer, managers of corporate functions and consultants attended the meeting in order to support board proceedings and provide appropriate supplemental information on items on the agenda. The Documents Officer attends meetings relating to the financial statements.
So that the greatest number of Directors can participate in the corporate activities pursuant to art. 14 of the By-Laws, it is possible to take part in the meetings by attending at distance, using audiovisual connection systems that ensure promptness and opportunities for attending the meeting, without prejudice to the fact that attendee can be correctly identified by the Chairman.
Pursuant to the Board Regulation, resolutions are to be recorded in minutes signed by both the Chairman and the Secretary of the meeting; as a rule, drafts of the minutes are previously made available to the participants with an invitation to submit comments during the next useful meeting, where they will be brought for approval. Part of the minutes, concerning resolutions adopted that require immediate execution, may be subject to certification or extract by the Chairman and the Secretary of the Board of Directors, even before the whole minutes, which will include any intervention, have been fully checked.
Pursuant to Article 3, Recommendation 18 of the CG Code, the Regulation defines professional requirements and duties of the Secretary of the Board (see Section 4.5 below).
In 2021, the Board had 9 meetings on January 25, 2021, March 11, 2021, April 1, 2021, April 9, 2021, April 27, 2021, May 14, 2021, July 30, 2021, November 11, 2021, and December 16, 2021. The meetings lasted 2 hours on average. Information on the meeting attendance by each director is provided in Table 2 annexed to this Report.
In 2022, in addition to the meeting held on March 16, 2022, 3 Board meetings are scheduled for the current year, as provided in the Calendar of Corporate Events published on December 21, 2021 and available on the Issuer's website www.diasoringroup.com, Section *"Media/Press Releases"*.
All the required pre-meeting information on the resolutions in agenda have been properly sent in a timely manner, with a notice period of at least three days before the relevant Shareholders' Meeting; in any case, where the pre-meeting information had not been provided to the Board of Directors, the Chairman ensured that in-depth analyses were carried out at the Board meetings in a correct and timely manner.
The Board of Directors' meetings were attended by the Chief Financial Officer, the Documents Officer, the General Counsel who attends the meeting as secretary, and the Company's directors qualified to provide in-depth analysis on subjects and/or special projects in the agenda.

4.5. ROLE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Chairman of the Board of Directors.

On April 24, 2019, Diasorin's Board of Directors appointed the Director Gustavo Denegri as Chairman, with the same post held during the previous term of office of the Board.
The Chairman has been granted the powers referred to in Article 1 and 2 of the Corporate Governance Code in force at that time. The Chairman did not receive management proxies and he does not play a specific role in the formulation of organizational strategies.
The Chairman plays a connecting role between executive and non-executive Directors, taking care of the effective functioning of the Board's work. The Chairman convenes and chairs the meetings of the Board of Directors, sets the agenda of the Board's meetings after consultation with the Chief Executive Officer, plans and coordinates its activities and ensures that sufficient information about the items on the Agenda is provided to all Directors and Statutory Auditors.
The Chairman, as well as being the legal representative under By-Laws before third parties and in court, has been granted any other powers by the Board of Directors.
In compliance with the provisions of the Corporate Governance Code, the Chairman of the Board of Directors, with the support of the Secretary, ensures that:

a) the pre-meeting documents are completed and provided in a timely manner and the pre-meeting documents and complementary information provided during the meetings are suitable to allow directors to act in an informed manner in performing their role;
b) the activity of the board committees with investigating, consulting and advisory functions is coordinated with the activity of the Board of Directors;
c) in agreement with the Chief Executive Officer, the managers of the company and managers of Group companies, who are competent on the issues concerned, participate in the board meetings to provide appropriate insights on items on the agenda, even upon request of single Directors;
d) all the members of the Board of Directors and Board of Statutory Auditors can take part, after the appointment and during their office, in initiatives aimed at providing them with adequate knowledge of the industry in which the Company operates, of company dynamics and their evolution, also in relation to the Company's sustainable success, as well as of principles of sound risks management and relevant laws and self-regulatory framework, with the support of the lead independent director (see section 4.3 above);
e) the evaluation process of the Board of Directors is adequate and transparent, with the support of the Compensation and Nominating Committee.

Information on the role of the Chairman in relation to the Shareholder engagement is provided in the Shareholder Engagement Policy on the Issuer's website (www.diasoringroup.com, Section Governance / "Governance Documents" / "Corporate Procedures").

Deputy Chairman of the Board of Directors.
By resolution dated April 24, 2019, the Board of Directors appointed the Director Michele Denegri as Deputy Chairman, who has the same functions as the Chairman, to be exercised in his absence or impediment.

Secretary of the Board.
Pursuant to Article 12 of the By-Laws and of the Board Regulation, the Board of Directors may appoint a standing Secretary, also external to the Committee. Appointment and annulment of the Secretary is proposed by the Chairman. The Secretary must be a party with adequate professional requirements and experience in the legal and corporate field, with particular reference to corporate governance and corporate secretarial activities of listed companies.
In the event of his impediment or absence, his duties are entrusted to another person designated from time to time by the Chairman and approved by the Board of Directors of the individual meetings.
The Secretary of the Board supports the activity of the Chairman and assists him in the organization of meetings, in the transmission of pre-meeting information and, in general, in flows

of information and in minutes of the meetings. The Secretary of the Board provides impartial advice and assistance to the Board of Directors on all aspects relevant to the proper functioning of the corporate governance system.
On December 21, 2020 the Board, after having verified that professional and experience requirements are met, appointed Mr. Ulisse Spada, Manager of the Corporate Legal Affairs Department, as its standing Secretary. In 2021, the Secretary carried out all the functions described above.

4.6 EXECUTIVE DIRECTORS

Chief Executive Officer
By resolution dated April 24, 2019, Diasorin's Board of Directors appointed Mr. Carlo Rosa to the post of Chief Executive Officer granting him the power to handle all ordinary and extraordinary business transactions over which the Board of Directors has jurisdiction, with the exception of those that are expressly reserved to the Board of Directors pursuant to law, the By-Laws and the abovementioned resolution, confirming the same offices and functions granted during the previous term of office of the Board. Mr. Carlo Rosa, appointed as General Manager by the Board on April 28, 2006, continued to hold his post with special functions in operating management concerning industrial, commercial and financial areas.
The following powers, by resolution dated April 24, 2019, are reserved to the Board of Directors and may not be delegated:

- approving the annual budget;
- buying, acquiring through subscription equity investments of third-party;
- transferring and selling equity investments to third parties;
- buying, selling and leasing business and business operations;
- buying and selling real estate;
- investing in unbudgeted capital goods for a total amount exceeding € 5,000,000.00 (five million) per year;
- securing loans, credit lines and bank advances, discounting promissory notes and obtaining overdraft facilities for an amount exceeding € 20,000,00.00 (twenty million) for each transaction, excluding credit lines for sureties and except for factoring contracts, which are covered by the delegated powers without amount limitations;
- granting mortgages, pledges and liens on Company assets for an amount exceeding € 5,000,000.00 (five million) for each transaction;
- granting sureties for an amount exceeding € 5,000,000.00 (five million);
- hiring and firing managers.

At all meetings or at least every three months, the Chief Executive Officer reports to the Board on activities in exercise of delegate powers.

Mr. Carlo Rosa, Chief Executive Officer and General Manager, is qualified as the main administrator in charge of the company management (Chief Executive Officer). Mr. Carlo Rosa does not serve as Director in other Issuers.

Finally, the Chief Executive Officer with the support of the Chief Financial Officer leads and manages relation with shareholders, institutional investors, asset managers, analysts and proxy advisors, pursuant to the Shareholder Engagement policy adopted by the Board on December 16, 2021 in compliance with art. 1, Recommendation 1, letter a) of the Corporate Governance Code.

Information on the role of the Chief Executive Officer in connection with Shareholders Engagement is provided in the Shareholder Engagement policy published on the Issuer's website (www.diasoringroup.com, Section "Governance"/"Governance Documents"/"Corporate Procedures").

Executive Committee (pursuant to Art. 123-bis, Section 2, Letter d), TUF).

Pursuant to Article 15 of the By-Laws, the Board of Directors may select some of its members to staff an Executive Committee, to which it may delegate some of its powers, except for those that the law reserves expressly to the Board of Directors, determining the Committee's composition, powers and rules of operation. As at the date of this Report, the Issuer's Board of Directors has not appointed an Executive Committee.

Report to the Board of Directors

In 2021, at all meetings of the Board of Directors and at least every three months, the Chief Executive Officer has reported to the Board of Directors on activities performed in exercise of delegate powers.

Other Executive Directors

The only executive director different from the Chief Executive Officer is the Chief Commercial Officer. Mr. Chen Menachem Even serves as Senior Corporate Vice President Commercial Operations (apart from being a Strategic Director).

4.7. INDEPENDENT DIRECTORS

As to the minimum number of Independent Directors, the Board of Directors is composed of 8 independent directors out of 15 members - in compliance with Art. 2, Recommendation 5 of the Corporate Governance Code, according to which in large Concentrated Ownership Companies at least one third of the members of the Board of Directors shall be independent.

The slate-voting system required by Article 11 of the By-Laws is designed to ensure the election of a minimum number of Directors that meet the independence requirements set forth on the joint basis of Article 147-*ter*, Section 4 and Article 148, Section 3 of the TUF.

At the meeting held on April 24, 2019, the Board of Directors ascertained that the independent Directors currently in office met the independence requirements. The results of such assessment were disclosed to the market on the same date by press release available on the company website www.diasoringroup.com, Section "Media/Press Releases/2019", pursuant to Art. 144-*novies*, section 1-*bis*, of the Consob Issuers Regulation.

Subsequently, the Board of Directors assessed the independence requirements during the Board meeting held on March 16, 2022, for the approval of the financial statements.

The Company applied all criteria of the Corporate Governance Code to verify and assess the independence requirements, except as indicated below.

The Board of Directors, in relation to Directors Alessandria and Moscetti, has in fact assessed as appropriate the non-application of art. 2, Recommendation 7, lett. e) of the Corporate Governance Code –which provides that director who has served on the board for more than nine years, even if not consecutive, of the last twelve years- cannot be considered independent considering that the parties indicated above have maintained the independence of judgment in performing their role and it is appropriate, in the Company's interest, to continue to make use of the high professionalism and experience of the aforementioned Directors by focusing on their key role within the Company and confirming the independence requirements.

The Issuer's Board of Directors in office (at the year-end date and at the date of this Report) appointed on April 24, 2019 includes eight (8) Independent Directors out of 15 members: Giuseppe Alessandria, Fiorella Altruda, Elisa Corghi, Franco Moscetti, Roberta Somati, Francesca Pasinelli, Monica Tardivo and Tullia Todros. The number and authoritativeness of the Independent Directors is sufficient to ensure that their opinion has a significant impact on the decision-making process

of the Issuer's Board of Directors. Independent Directors contribute specific professional expertise to Board meetings and help the Board adopt resolutions that are in the Company's interest.
The Independent Directors met on March 11, 2021 and, as at the date of this Report, a meeting was held on March 7, 2022; during the aforementioned meetings Independent Directors assessed that the independent requirements were still met as confirmed when accepting the post of Director and as last confirmed in the regular check carried out in January 2022. Independent Directors assessed also various matters regarded as being proper to the functioning of the Board of Directors and the Company's management The aforementioned meetings took place upon request from the Lead Independent Director, in a separate and dedicated session and in the absence of the other directors, pursuant to Article 2, Rec. 5 of the Corporate Governance Code.
The Board of Statutory Auditors verified the correct use of the criteria and procedures adopted by the Board to assess the independence of its members.
The Board of Directors in the meeting held on November 11, 2021, decided not to define ex-ante (and therefore not to apply the relevant provision of art. 2, Recommendation 7 of the Corporate Governance Code) the quantitative and qualitative criteria for assessing the significance (i) of commercial, financial or professional relationships and (ii) additional compensation, that are relevant for assessing the independence of its members. The Company decided not to define ex-ante fixed and predetermined quantitative and qualitative criteria in order to give prevalence to substance over form and assess the individual situation on a case-by-case basis, taking into account the relevant circumstances of the particular case. The adjustment would not have had a concrete application impact, since there are no significant commercial, financial and professional relationships between the Issuer, Company's subsidiaries and/or parent companies and independent directors. Furthermore, independent directors do not receive an additional remuneration other than the fixed remuneration for the post held within the board and for the membership in the committees.

Lead Independent Director.

At the meeting held on April 24, 2019, the Board of Directors confirmed the independent Director Giuseppe Alessandria, who had been already appointed by the Board of Directors on April 28, 2016, to the post of Lead Independent Director. Serving in this capacity, the Lead Independent Director provides a reference point for and coordinates issues relevant specifically to non-executive Directors and Independent Directors and pursuant to Art. 3, Recommendation 14, let. b) of the Corporate Governance Code he coordinates the meeting of Independent Directors only.
The appointment of the Lead Independent Director was one of the requisites for companies listed in the STAR segment on Borsa Italiana. This post was kept also after the Company submitted a request of voluntary exclusion from the STAR segment (thereby annulling the requisite mentioned above).
In 2021, the Lead Independent Director convened the annual meeting (on March 11, 2021) of Independent Directors to verify that the independence requirements were still met.

5. TREATMENT OF INSIDER INFORMATION

Insofar as the issues related to the treatment of insider information are concerned, the Issuer's Board of Directors has adopted the initiatives and/or procedures summarized below, which are designed to monitor access to and circulation of insider information prior to their disclosure to the public and ensure compliance with statutory and regulatory confidentiality requirements.
On July 3, 2016, the Market Abuse Regulation "MAR" - containing "Regulatory technical standards" and ESMA (European Securities and Markets Authority) "Implementing technical standards" approved by the European Commission and reflecting the new rules and regulations on Market Abuse within the European Union - came into force. The Company has, thus, adopted new procedures – approved by the Board of Directors on August 4, 2016 and updated in 2019 - to replace the existing procedures. The Company updated the "Procedure for the Internal Management of Relevant Information and Inside Information and Public Disclosure of Inside

Information" and the " Procedure to manage the Register of persons having access to Relevant Information and Inside Information" in 2020.

Procedure for the Internal Management of Relevant Information and Inside Information and Public Disclosure of Inside Information.

In 2016, the Board of Directors adopted a new “Procedure for the internal management and public disclosure of inside information” (now named “Procedure for the Internal Management of Relevant Information and Inside Information and Public Disclosure of Inside Information”, see below), pursuant to art. 17 of MAR and the related implementing rules and regulations of the European Commission, in force as of July 3, 2016.

The Procedure was amended by the Board on December 21, 2020 in order to set up, pursuant to the recommendations of CONSOB Guidelines, a register of persons having access to relevant information, the so-called “Relevant Information List” with the aim of tracking the stages before the disclosure of inside information, by identifying and monitoring those types of information that the Issuer deems to be relevant such as data, events, projects or circumstances which may -at a future day- become inside information.

The Procedure, as amended, contains instructions relating to both the internal management and the external disclosure of inside information (as defined by art. 7 of MAR) regarding the Issuer and the Group companies; the internal procedure is aimed at ensuring compliance with the current laws and regulations on the subject and guaranteeing maximum secrecy and confidentiality in handling Relevant Information and Inside Information; the Procedure, in particular, is aimed at ensuring greater transparency towards the market and appropriate preventive measures against market abuse.

Public disclosure of Inside Information shall occur through a press release prepared by the Investor Relations Function; prior to its external disclosure, the text of the press release shall be submitted for final approval to the Chief Executive Officer or, in case of his absence or impediment, to the Chairman of the Board of Directors and, if deemed appropriate or necessary, to the Board of Directors, subject to the prior attestation by the Corporate Accounting Documents Officer when the text contains accounting information, pursuant to and for the effects of article 154-bis of the TUF.

The Procedure currently in force is available on the Issuer’s website (www.diasoringroup.com, Section “Governance/ Governance Documents/Corporate Procedures”).

Procedure to manage the Register of persons having access to Relevant Information and Inside Information

In 2016, pursuant to art. 18 of MAR and the related implementing rules and regulations of the European Commission, in force as of July 3, 2016, issuers and persons acting in their name or on their behalf are required to establish, manage and update a register listing the persons who have access to inside information. The Company has, thus, adopted a new “Procedure to manage the Register of persons having access to Inside Information”.

Following the adoption of the “Relevant Information List”, the Procedure was amended by the Board of Directors on December 21, 2020 in order to set up a register of persons having access to Relevant Information.

The Procedure currently in force is available on the Issuer’s website (www.diasoringroup.com, Section “Governance/ Governance Documents”).

Procedure to comply with Internal Dealing requirements

In 2016, the Board adopted a new "Procedure to comply with Internal Dealing requirements", pursuant to art. 19 of MAR and the related implementing rules and regulations of the European Commission, in force as of July 3, 2016.

The Board of Directors updated the Procedure on March 14, 2019, to adopt the Consob's amendments to the Issuers' Regulation by resolution no. 19925 of 22 March 2017 and take account of amendments to TUF introduced by Legislative Decree no. 107/2018.

Pursuant to the Procedure, the Head currently in force of the Corporate Legal Affairs (Corporate Counsel and Corporate Affairs Department) of the Company performs the functions of Designated Officer. Currently Ulisse Spada serves as Designated Officer

The Procedure currently in force is available on the Issuer's website (www.diasoringroup.com, Section "Governance/ Governance Documents/Corporate Procedures").

6. BOARD OF DIRECTORS' INTERNAL COMMITTEES (PURSUANT TO ART. 123-BIS, SECTION 2, LETTER D), TUF)

The Board of Directors elected on April 24, 2019, appointed internally the following Committees:

Control, Risks and Sustainability Committee	Franco Moscetti (Chairman) Giancarlo Boschetti Roberta Somati
Compensation and Nominating Committee	Giuseppe Alessandria (Chairman) Michele Denegri Elisa Corghi
Committee for Transactions with Related Parties	Franco Moscetti (Chairman) Giuseppe Alessandria Roberta Somati

It should be noted that, with a resolution dated April 24, 2019, the Compensation Committee and the Nominating Committee have been merged into a single Compensation and Nominating Committee.

The composition of the Committees was determined taking into account the skills and experience of their components.

Functions, tasks, resources and activities are described in the Paragraphs below.

7. EVALUATION AND SUCCESSION OF DIRECTORS - COMPENSATION AND NOMINATING COMMITTEE

7.1 EVALUATION AND SUCCESSION OF DIRECTORS

Board of Directors' and the internal Board committees' evaluation.
Although DiaSorin qualifies as Large Company and Company with Concentrated Ownership – and pursuant to art. 4, Recommendation no. 22 the board evaluation can be conducted on a three-year basis - the Company decided to continue to carry it out on an annual basis in order to periodically evaluate the effectiveness of its activity and the contribution of the Board Committees. In 2022, also in view of the renewal of corporate bodies during the Shareholders' Meeting called to approve the financial report at December 31, 2021, the Board evaluated the size, composition and functioning of the Board and of its Committees.

The Compensation and Nominating Committee assisted the Board and the Chairman of the Board in ensuring that the Board's evaluation process is adequate and transparent and, more generally, supported the Board in the evaluation activities, by supervising the preparation of the questionnaire (also through prior examination and sharing the questionnaire in the CN Committee meeting held

on January 21, 2022) and by examining the findings received in order to support the Board in setting forth guidelines on qualitative-quantitative composition deemed optimal.
In the evaluation process the Board took into account, among other things, the recommendations contained in the annual letter of the Chairman of the Corporate Governance Committee.
The evaluation process involved all the directors and was performed through a questionnaire filled out anonymously, broken down into different areas of investigation and with the possibility of providing comments and proposals, including the following items:

(i) size and composition of the Board of Directors, also with reference to diversity profiles;

(ii) meetings frequency, participation of Directors, number of Independent Directors, time allocated for debates, attention to conflict-of-interest situations and completeness of relevant minutes and implementation of adopted resolutions;

(iii) information provided by the Chief Executive Officer, new regulations for listed companies, emerging risks concerning the Company and its subsidiaries;

(iv) Committees' support, communication among the Board and Top Management, the Corporate Governance and the ICRMS

Outcomes of the evaluation carried out at the beginning of 2022 (relating to 2021) were provided in the meeting held on March 16, 2022. More specifically, this evaluation confirmed a general satisfaction with the Board of Directors' and Committees' functioning and activities, as already highlighted in the previous years.
The evaluation highlighted some areas of improvement such as (a) timeliness of documents made available (while acknowledging the high quantity and quality of work in relation to extraordinary transactions),(b) promoting easier access to information necessary to fulfil its role,(c) reducing the number of items on the agenda of the Board meetings, in order to dedicate a greater in-depth analysis to the individual draft resolutions,(d) need to increase Board debate – despite very effective presentations by top management and invitations of the Chairman to debate – especially due to remote participations; (e) greater Board's involvement in issues related to risks management; (f) regarding the succession of executive directors, comments provided in the evaluation questionnaire are useful for finding solutions and for the Chairman's and the Chief Executive Officer's role in this area but it is appropriate that the Compensation and Nominating Committee and the Board to be more involved in advisory, proposal and decision-making aspects.

In view of the renewal of the Board during the Shareholders' Meeting called to approve the financial statements at December 31, 2021, upon proposal of the Compensation and Nominating Committee and taking into account the evaluation outcomes the outgoing Board approved on March 16, 2021 the guidelines of the outgoing Board regarding managerial and professional figures whose presence is deemed to be appropriate within the future Company's Board, also in relation to the Limits on the number of Posts and the diversity policy in the composition of the Board of Directors and, thus, diversity criteria such as gender, managerial and professional, also international, skills, and age.
Since the Issuer qualifies as a Concentrated Ownership Company, and therefore is not subject to the Recommendation 23 of the GC Code, the guidelines of the outgoing Board will be included in the explanatory report prepared pursuant to art. 125-*ter* of the TUF concerning the appointment of the Board of Directors by the Shareholders' Meeting called to approve the financial statements at December 31, 2021;the Board, in view of the next renewal of the Board of Directors (which would occur at the next Shareholders' Meeting for the approval of the financial statements at December 31, 2021) will require that parties presenting a slate containing a number of candidate higher than one half of the directors to be elected indicate the candidate to the post of Chairman of the Board of Directors.

Succession plans of Executive Directors

In accordance with Article 4, Recommendation 24 of the Corporate Governance Code, the Board of Directors, during the meeting held on December 20, 2018, approved a proposal concerning the

Chief Executive Officer's succession plan, following the appropriate assessments made by the Nominating Committee in its area of competence. According to this proposal, if the Board of Directors does not identify a candidate within the DiaSorin Group, powers will be conferred to the Chairman, for this purpose. The Chairman, with the necessary operating powers to address and coordinate the company management and with support, if necessary, of a Top executives committee, shall implement and manage the process to select external candidates.
The Board of Directors at the meeting held on December 16, 2021, approved a similar proposal concerning the remaining Executive Directors' succession plan, following the appropriate assessments made by the Compensation and Nominating Committee in its area of competence. This procedure provided for granting (i) a proxy to the Chief Executive Officer for the interim management of the matters for which the Chief Executive Officer is responsible;(ii) a proxy to the Chief Executive Officer to be exercised along with the Chairman for the identification of a successor by making use of an internal pipeline or, alternatively, by starting a selection process outside the Group. In the event the above powers are exercised, it will be necessary to promptly inform the Compensation and Nominating Committee and maintain adequate information flows on the selection process.

7.2 COMPENSATION AND NOMINATING COMMITTEE

The Issuer's Board of Directors currently in office, consistent with the provisions of the Corporate Governance Code, established an internal Compensation and Nominating Committee, consisting of non-executive Directors, the majority of its members being independent Directors, including the Chairman who performs the functions set forth in art. 4 of the Corporate Governance Code on issues relating to nominations and in art. 5 of the Corporate Governance Code on issues relating to compensation, in compliance with principles and criteria required by the provisions of the Code.

Functions of the Compensation and Nominating Committee have been formalized on December 16,2021 in the new "*Compensation and Nominating Committee Regulation* (the "**CN Committee Regulation**") subsequently approved by the Board of Directors that grants to the Committee consulting and advisory functions provided for by the CG Code with regard to nomination and compensation.

<u>Functions regarding compensation</u>

- assisting the Board in the formulation of the compensation policy;
- submitting proposals or expressing opinions on compensation of executive directors and of all other directors who perform special tasks and setting performance objectives associated with the variable component of such compensation.
- monitoring proper implementation of approved resolutions;
- monitoring the concrete application of the compensation policy and verifying, more specifically, the actual achievement of performance objectives;
- periodically assessing the appropriateness and overall coherence of the general compensation policy of directors and top management. Pursuant to art. 5, Recommendation 26 of the Corporate Governance Code, Directors shall not participate in CN Committee meetings where proposals are submitted to the Board concerning their remuneration.

<u>Functions regarding nominations</u>

Assisting the Board in the following:

- evaluation of the Board of Directors and of its committees;
- defining the optimal composition of the Board of Directors and of its committees;
- identifying candidates for the office of directors to be coopted;

- assisting the exiting Board of Directors in the submission of slates of candidates, so as to ensure a transparent composition and presentation;
- preparing, updating and implementing any succession plan for the Chief Executive Officer and other executive directors.

Members and functioning of the Compensation and Nominating Committee (pursuant to art. 123-*bis*, Section 2, Letter d), TUF).

By a resolution dated April 24, 2019, the Board of Directors merged the functions of the Compensation Committee and the Nominating Committee into a single "Compensation and Nominating Committee", composed of the following Directors: Giuseppe Alessandria (Independent Director) who serves also as Chairman, Elisa Corghi (Independent Director) and Michele Denegri (Non-Executive Director). Pursuant to Article 5, Recommendation 26 of the Corporate Governance Code, all members of the CN Committee have proper knowledge and expertise in finance or compensation policies, as assessed by the Board of Directors at the time of their appointment.

In 2021, the Compensation and Nominating Committee met on March 2, October 6, November 5 and December 9, 2021: during the meetings the Committee provided recommendations on defining and accounting for variable remuneration, approved the draft of the 2020 Remuneration policy and fees paid, formulated proposals of remuneration changes and grant of cash-based incentives, expressed on proposals of stock options plan adoption and examined, due to its relevance, the new equity-based long-term incentive plan, intended for Group key employees other than Executives with Strategic Responsibilities and Directors. Further details are provided in Section I and Section II of the Report on the Remuneration policy and fees paid published pursuant to Article 123-*ter* of TUF on the Company's website www.diasoringroup.com, Section "Governance/Shareholders' Meetings /2022".

In 2022, as at the date of this Report, two meetings were held on January 21 and March 7, during which in the first meeting the CN Committee examined, among other things, the questionnaire for Board evaluation and in the second meeting approved the draft of the "Report on the remuneration policy and fees paid" for the year 2022 and provided recommendations on defining and accounting for variable remuneration.

In 2021, the CN Committee meetings were attended by members of the Board of Statutory Auditors and, upon invitation of the Chairman, some corporate directors qualified to attend the meeting.

In addition to the meetings already held, at the date of this Report, no further meetings are scheduled for 2022, also in view of the renewal of the term of office of the Board of Directors during the next Shareholders' Meeting called to approve the financial statements.

In any case in 2022, the CN Committee will meet to check slates filed by the shareholders for the renewal of expiring corporate bodies and related documentation.

The frequency, the average length, the attendance percentage at the Compensation and Nominating Committee meetings are listed in *Table 3* annexed to this Report, to which reference is made

As mentioned, the Board met on December 16, 2021 and approved the CN Committee Regulation, which provides, among other things, that:

- the Chairman convenes the CN Committee at least three days before the date set for the meeting, except in cases of urgency for which twelve hours' notice is required;
- the documentation is made available at least two days before the meeting, except in cases of urgency;
- the Board of Statutory Auditors can attend the CN Committee meetings;
- the CN Committee appoints a Secretary, also external to the Committee, who is entrusted with the task of recording meetings;

- the Chairman of the CN Committee may invite to individual meetings the Chairman of the Board of Directors, the Chief Executive Officer, other directors and individual executives qualified to attend the meeting, as well as other parties whose contribution is deemed to be useful.

In performing its functions, the CN Committee has free access to the company's areas and information considered important for fulfilling its duties and can make use of external consultants, subject to authorization by the Board of Directors.

The CN Committee is not provided with financial resources as it uses the Issuer's resources and organization to discharge its duties and may have adequate financial resources for the fulfillment of its duties as well as make use of external consultants within the limits of a budget approved by the Board of Directors on a reasoned proposal of the Committee.

8. COMPENSATION OF DIRECTORS

Information about (i) the Company policy for compensation of Directors, Executives with Strategic Responsibilities and (ii) fees paid in 2021 is provided in Section I and Section II of the Report on the Remuneration policy and fees paid published pursuant to Art. 123-*ter* of the TUF on the Company's website: www.diasoringroup.com, Section "Governance /Shareholders' meeting /2022", to which reference is made.

9. INTERNAL CONTROL AND RISKS MANAGEMENT SYSTEM - CONTROL, RISKS AND SUSTAINABILITY COMMITTEE

With regard to the ICRMS, The Board of Directors is responsible for defining the guidelines of the ICRMS, which is a set of processes designed to monitor the efficiency of the Company's operations, the reliability of all information (including financial information), the degree of compliance with laws and regulations and the level of protection of the Company's assets.

On December 19, 2012, the Board of Directors adopted the guidelines of the ICRMS (the "**Guidelines**") that have been confirmed by the Board of Directors appointed on April 24, 2019 identifying the main risks connected to the Company's activity. The Board of Directors is responsible for (i) properly identifying, adequately measuring, monitoring, managing and assessing the risks in which the Company may incur, in accordance with the goal of protecting the corporate assets and consistent with the principles of sound management, including all the main risks that can have a major adverse impact on the Issuer's long-term sustainability and (ii) verifying on a regular basis (at least once a year) that the ICRMS is adequate, effective and functions correctly.

The document following a first section dedicated to the members involved in the System, defines the Guidelines adopted by the Issuer's Board of Directors.

The ICRMS involves the following corporate bodies with different tasks:

- The Board of Directors has the function of directing and evaluating the adequacy of the ICRMS identifying, inter alia, within the Committee a (i) Control, Risks and Sustainability Committee that assists the Board of Directors comprised of non-executive Directors, the majority of whom is Independent, with a proper preliminary investigation and (ii) one or more Directors in charge of establishing and preserving an efficient ICRMS (i.e. the "**Designated Officer**" namely the Chief Executive Officer, pursuant to the Corporate Governance Code);
- The Officer of the Internal Audit function, who is appointed by the Board of Directors upon proposal of the Designated Officer (i.e., CEO), with the assent of the Control, Risks and Sustainability Committee, has the function to verify the adequacy and efficiency of the ICRMS;
- The Board of Statutory Auditors has the function to verify the efficiency of the ICRMS;

- The Corporate Accounting Document Officer, pursuant to the art. 154-*bis* TUF;
- The Oversight Body established pursuant Legislative Decree 231/2001.

With regard to the Guidelines, the Organizational and Management Model adopted by the Diasorin Group pursuant to Legislative Decree No. 231/2001 is taken into account.
As far as the company's financial statements are concerned, the ICRMS applied to the financial reporting process adopted by the Diasorin Group was developed using as a reference model the COSO Report[4], according to which the ICRMS, in the most general terms, can be defined as "*a process, effected by the Board of Directors, management and other personnel for the purpose of providing reasonable assurance regarding the achievement of objectives in the following categories: (i) design and effectiveness of operations;(ii) reliability of financial reporting; (iii) compliance with applicable laws and Regulation*".
Insofar as the financial reporting process is concerned, the corresponding objectives are the truthfulness, accuracy, reliability and timeliness of the financial reporting.
The Group, in defining its ICRMS for the financial reporting process, complied with the guidelines provided in this area in the following reference laws and regulations:

- Legislative Decree No. 58 of February 24, 1998 (TUF), as amended, specifically with regard to the provisions concerning the "*Certification of the Statutory and Consolidated Annual Financial Statements and Semiannual Report by the Corporate Accounting Documents Officer and the Delegated Governance Bodies pursuant to Article 154-bis of the TUF*";
- Law No. 262 of December 28, 2005 (as amended, including the amendments introduced by the Legislative Decree of October 30, 2007 adopting the Transparency Directive) specifically with regard to the preparation of corporate accounting documents;
- The Consob Issuers' Regulation, as amended and integrated;
- The Italian Civil Code, which extends to the Corporate Accounting Documents Officers the liability for company management actions (Article 2434), corruption between private individuals (Article 2635) and the crime of obstructing public and oversight authorities in the performance of their functions (Article 2638);
- Legislative Decree No. 231, of June 8, 2001, which, citing, inter alia, the abovementioned provisions of the Italian Civil Code and the civil liability of legal entities for crimes committed by their employees against the public administration and market abuse crimes, as well as corporate crimes, classifies the Corporate Accounting Documents Officer as a Top Management Person.

In addition, the reference components of the Group include:

- the Group's Code of Ethics;
- the Organizational and Management Model Pursuant to Legislative Decree No. 231/2001, its Special Parts and related protocols;
- Procedure to comply with Internal Dealing requirements*;*
- the Procedure for Related-Party Transactions;
- the Procedure for the internal management of Relevant Information and Inside Information and Public Disclosure of Inside Information;

[4] COSO Model developed by the Commitee of Sponsoring Organizations of the Treadway Commission - "Interbak Control - Integrated framework" published in 1992 and updated in 1994 by the Commitee of Sponsoring Organizations of the Treadway Commission.

- Procedure to manage the Register of persons having access to Relevant Information and Inside Information;
- the System of delegated and proxy powers;
- the organization chart and job description chart;
- the risk assessment process applied to quantitative and qualitative risk analysis;
- the Accounting and Administrative Control System, which is comprised of a set of procedures and operational documents, including:
  - Group Accounting Manual: document designed to promote the development and use within the Group of consistent accounting criteria for the recognition, classification and measurement of the results from operations;
  - Administrative and accounting procedures: documents that define responsibilities and control rules specifically with regard to administrative and accounting processes;
  - Financial statements and reporting instructions and closing schedules: documents used to communicate to the various Company departments the operational and detailed procedures for managing the activities required to prepare the financial statements by predetermined and shared deadlines;
  - Technical User Manual for the Group Reporting System: document provided to all employees who are directly in the process of preparing and/or reviewing accounting reports, which explains how the Reporting System operates.

Diasorin's Accounting and Administrative Control Model defines the method that must be applied when implementing the Internal Control System, which includes the following phases:

a) *Mapping and assessment of the risks entailed by financial reporting.*

The mapping and assessment of the risks entailed by the production of accounting reports is carried out by means of a structured risk assessment process. The implementation of this process includes identifying all of the objectives that the ICRMS applied to financial reporting must achieve to deliver a truthful and fair presentation. These objectives refer to the financial statement "assertions" (existence and occurrence of events, completeness, rights and obligations, valuation/recognition, presentation and disclosure) and other control objectives (e.g., compliance with authorization limits, segregation of duties and responsibilities, documentation and traceability of transactions, etc.).

The risk assessment process is thus focused on those areas of the financial statements identified as potentially having an impact on financial reporting in terms of failure to achieve control objectives

The process of determining which entities should be classified as "significant entities" in terms of their impact on financial reporting serves the purpose of identifying, with regard to the Group's consolidated financial statements, the subsidiaries, financial statement accounts and administrative and accounting processes that are deemed to be "material," based on valuations carried out using both quantitative and qualitative parameters.

b) *Definition of controls for the mapped risks*.

As mentioned above, the definition of the controls required to mitigate the mapped risks within administrative and accounting processes is carried out taking into account the control objectives associated with financial reporting for processes deemed to be material.

If the implementation of the phase of determining the scope of the assessment process uncovers sensitive areas that are not governed, in whole or in part, by the corpus of administrative and accounting procedures, the existing procedures are amended and, working in concert with the Corporate Accounting Documents Officer, new procedures are adopted for the affected areas.

c) *Assessment of controls for the mapped risks and handling of any known issues.*

The assessment of the effectiveness and level of implementation of the administrative and accounting procedures and of the controls they contain is carried out through specific testing activities that are consistent with best industry practices.
Testing is carried out continuously throughout the year at the request of and in coordination with the Documents Officer, who uses his own organization and the Internal Auditing Department.
As part of the implementation process, the delegated governance bodies and the administrative managers of subsidiaries are required to provide the Documents Officer with an affidavit concerning tests performed to assess the effectiveness and level of implementation of the administrative and accounting procedures.
The Internal Auditing Officer prepares an Audit Report in which he provides an overview of the assessment of the controls established for the mapped risks. The assessment of controls results in the definition of supplemental controls, corrective actions or improvement plans to address any identified issues.
The Audit Reports produced during the year are communicated to the Company's Control, Risks and Sustainability Committee and relevant outcomes are communicated to the Company's Board of Statutory Auditors, and the Board of Directors.
Internal Control System applied to the financial reporting process is overseen by the Documents Officer, who appointed by the Board of Directors, in concert with the Chief Executive Officer, is responsible for developing, implementing an approving the Accounting and Administrative Control Model and assessing its effectiveness, and is required to issue certifications of the separate and consolidated annual financial statements and the semiannual financial report (separate and consolidated). The Documents Officer is also responsible for establishing adequate administrative and accounting procedures for the production of statutory and consolidated financial statements and, with the support of the Internal Auditing Department, providing subsidiaries with guidelines for the implementation of appropriate activities to assess their Accounting Control Systems.
In the performance of his functions, the Documents Officer:

- interacts with the Internal Auditing Director and the CEO, who performs independent audits of the effectiveness of the Internal Control System and supports the Documents Officer in monitoring the System;
- is supported by the managers of the affected departments, who, with respect to the area under their jurisdiction, attest to the completeness and reliability of the information flows provided to the Documents Officer for financial reporting purposes;
- coordinates the activities of the Accounting Managers of subsidiaries, who are responsible, together with the delegated governance bodies, for implementing within their companies adequate accounting control systems to monitor administrative and accounting processes and assessing their effectiveness over time, reporting the results to the Parent Company as part of the internal certification process;
- establishes a mutual exchange of information with the Control, Risks and Sustainability Committee and the Board of Directors.

The Board of Statutory Auditors and the Oversight Body are informed about the adequacy and reliability of the internal control system applied to financial reporting.
A detailed description of the main characteristics of the ICRMS applied to financial reporting, including consolidated financial statements, as required by Article 123-*bis*, Section 2, Letter b), of the TUF, is provided in the Report on the Company's Operations annexed to the statutory and consolidated financial statements.

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9.1 CHIEF EXECUTIVE OFFICER

The Chief Executive Officer, pursuant to the Corporate Governance Code, is responsible for overseeing the effective implementation of the ICRMS by the Board of Directors, with the support of the Control, Risks and Sustainability Committee.
The CEO working within and in accordance with the guidelines established by the Board of Directors, is responsible for:

- identifying corporate risks, based on the characteristics of the Issuer's and its subsidiaries businesses and periodically submit such risks to the attention of the Boards of Directors;
- implementing the Guidelines, designing, implementing and managing the Internal Control, System, constantly verifying its efficiency and adequacy, making sure that the System adjusts to the operating conditions and to the relevant regulatory framework;
- promptly reporting to the Control, Risks and Sustainability Committee issues and critical situations emerged from its control activity or of which he was informed, so that the Committee can take measures against these critical situations;
- in performing these tasks, the Designated Officer can rely on the Internal Audit function to carry out controls on both specific business areas and internal laws and procedures concerning corporate operations, so that the Chairman of the Board of Directors, the Chairman of the Control, Risks and Sustainability Committee and the Chairman of the Board of Statutory Auditors are promptly informed. In 2021, there were no requirements to exercise this power.

On April 24, 2019, the Issuer's Board of Directors re-appointed Mr. Carlo Rosa, the Issuer's Chief Executive Officer and General Manager, to the post of Designated Officer, pursuant to the Corporate Governance Code in force at the time (CEO pursuant to the Corporate Governance Code). Mr. Rosa had been already appointed to this post by the previous Board of Directors.
In 2021, the CEO:

- identified the main corporate risks (strategic, operational, financial and compliance), taking into account the characteristics of the activities carried out by the Issuer and its subsidiaries, and submitted them to the Board of Directors for review on a regular basis
- implemented the Guidelines defined by the Board of Directors, designing, implementing and managing the ICRMS monitoring on an on-going basis the system's overall adequacy, effectiveness and efficiency and the need for any adjustments;
- updated the system in response to changes in operating conditions and in the relevant regulatory framework;
- did not considered it necessary to request interventions from the Internal Audit Officer, nor considered it necessary to report to the Control, Risks and Sustainability Committee since no problems or critical issues emerged that required such disclosure.

9.2. CONTROL, RISKS AND SUSTAINABILITY COMMITTEE

Following the renewal of corporate bodies on April 24, 2019 and in compliance with art. 4 of the Code and Article 3, Recommendation 16 of the Corporate Governance Code, the Board of Directors assigned, on the same date, the "Control and Risks Committee", which had already been established in the previous term of office, the task of supervising sustainability issues connected to corporate activities and interactions with its stakeholders. Coherently, the Board changed the Committee's name into "Control, Risks and Sustainability Committee".
Functions of the Control, Risks and Sustainability Committee have been updated on December 16, 2021 with the adoption of the new " Regulation of the Control, Risks and Sustainability Committee (the "**Regulation of the CRS Committee**")

Functions on internal control and risk management

In assisting the Board of Directors as part of its duties in the ICRMS, the CRS Committee:

- together with the Documents Officer, the Independent Auditors and the Board of Statutory Auditors, it assesses the adequacy of the accounting principles used by the Company and the consistency and uniformity of their use in preparing the consolidated financial statements;
- assesses the suitability of periodic information, financial and non-financial, to correctly represent the business model, the strategies of the Company, the impact of its activity and the performance achieved;
- examines the content of the periodic non-financial information relevant to the ICRMS;
- gives opinions on specific aspects relating to the identification of the main business risks and support the assessments and decisions of the Board relating to the management of risks arising from prejudicial events of which the latter has become aware;
- examines the periodic reports and those of particular relevance prepared by the internal audit function;
- monitors the autonomy, adequacy, efficacy and efficiency of the Internal Audit function;
- can rely on the Internal Audit to carry out controls on both specific business areas informing at the same time the Chairman of the Board of Statutory Auditors;
- reports to the Board of Directors at least once every six months, on the occasion of the approval of the Annual Report and the Semiannual Report, about the work performed and the adequacy of the ICRMS;
- performs any additional tasks that the Board of Directors may choose to assign to the CRS Committee, specifically in areas related to the interaction with the Independent Auditors, the work performed by the Oversight Body pursuant to Legislative Decree No. 231/2001 and the provision of consulting support with regard to related-party transactions;

Functions on sustainability

- supports the Board in the analysis of relevant issues for the generation of long-term value upon examination and approval of the business plan of the Company and of the Group it heads;
- has the function to provide consultation and make proposals to the Board of Directors concerning sustainability issues; it has the task of supervising sustainability issues connected to corporate activities and interactions with its stakeholders.

In particular, it has the task of:

- monitoring sustainability issues, evaluating and assessing sustainability matters relating to corporate activities and interactions with its stakeholders;
- supervising the activities of the Issuer and of DiaSorin Group companies concerning sustainability;
- examining and assesses the system of data collection and consolidation to prepare the Consolidated Non-Financial Statement, pursuant to Legislative Decree 254/2016 (“**NFS**”);
- reviewing the NFS, expressing its opinion to the Board of Directors called to approve this document, and
- expressing, upon request of the Board of Directors, opinions on any sustainability issues.

The aforementioned task of supporting the Board in the analysis of relevant issues for the generation of long-term value upon examination and approval of the business plan has been granted to the CRS by the Board during the meeting of December 16, 2022, in implementation of art. 1, Recommendation n. 1, lett. a) of the Corporate Governance Code.

Pursuant to Article 6, Recommendation 37 of the Corporate Governance Code, the CRS Committee and the Board of Statutory Auditors exchange information relevant to the performance of their respective tasks, in a timely manner.

The CRS Committee can require specific Internal Audit intervention. In this regard, the Committee did not exercise this power in 2021.

In 2021, the Control, Risks and Sustainability Committee performed its constant control activity, concerning the correct and timely implementation of the guidelines and the proper management of the ICRMS of the Issuer and its subsidiaries.

In 2021, during the meetings held on March 11, 2021 and July 30, 2021, the CRS Committee - as required pursuant to Article 6, Recc. 35, lett.h) of the Corporate Governance Code - reported to the Board of Directors on the activities and audits the Committee carried out and the effectiveness of the Internal Control and Risk Management System highlighting how the system proved to be largely in line with the size and organizational and operational structure of the Issuer.

The last meeting held to report to the Board of Directors on the activities and adequacy of the ICRMS was on March 16, 2022.

In 2021, the CRS Committee:

- supported the Board in performing the tasks concerning internal control and risk management;
- assessed the adequacy of the accounting principles used by the Company and the consistency and uniformity of their use in preparing the consolidated financial statements,
- assessed that regular financial and non-financial reporting was suited to properly represent the Issuer’s business model and strategies;
- examined contents of the non-financial statements relevant for the purposes of the ICRMS;
- examined the regular reports prepared by the internal audit function;
- monitored the adequacy, efficiency and effective implementation of the internal audit function.

Composition and functioning of the Control, Risks and Sustainability Committee (pursuant to art. 123-*bis*, Section 2, letter d), TUF)

The Control, Risks and Sustainability Committee is composed of non-executive Directors, the majority of its members being independent Directors, including the Chairman; the CRS Committee is composed of: Franco Moscetti (Independent Director), acting as Chairman, Roberta Somati (Independent Director) and Giancarlo Boschetti (Non- executive Director), who have significant expertise in accounting and finance.

The frequency, average length, attendance at the Control, Risks and Sustainability Committee meetings are listed in Table 3 annexed to this Report.

In 2021, the Control, Risks and Sustainability Committee met on March 5, July 26 and December 9, 2021. As at the date of this Report a meeting was held on March 7, 2022 and further meetings are not yet scheduled for 2022 also due to the renewal of the Board of Directors.

The Board of Statutory Auditors takes part in the meetings of the CRS Committee. The Chief Executive Officer may participate in the meetings, pursuant to the Corporate Governance Code, and upon request of the Committee, the Internal Audit Officer, the Document Officer, the Chairman of the Oversight Body and company’s directors whose presence may be deemed useful for the proceedings.

In 2021, members of the Board of Statutory Auditors and, upon request of the Chairman, certain company's directors such as the Chief Executive Officer, the Document Officer, the Internal Audit Officer and other company's directors qualified to attend the meeting.
The Board, during the meeting held on December 16, 2021, approved the Regulation of the CRS Committee providing, among others, that:

- the Chairman convenes the CRS Committee at least three days before the date set for the meeting, except in cases of urgency for which twelve hours' notice is required;
- the documentation is made available at least two days before the meeting, except in cases of urgency;
- the CRS Committee appoints a Secretary, also external to the Committee, who is entrusted with the task of recording meetings;
- The Chairman of the Board of Statutory Auditors or another member of the Board of Statutory Auditors designated by the Chairman always participate in the CRS proceedings. In any case the other members of the Statutory Auditors, who are regularly invited, may participate in the meetings;
- Upon invitation of the Chairman and also upon request of the CRS Committee, the Chairman of the Board of Directors, other Directors, including the Chief Executive Officer, company officers qualified to attend the meeting (in such case the Company Chief Executive Officer shall be informed), the Document Officer and other parties who are not members of the CRS Committee and whose contribution id deemed to be useful may attend the meeting.

In performing its functions, the Control, Risks and Sustainability Committee has free access to the company's areas and information considered important for fulfilling its duties and can make use of external consultants, subject to authorization by the Board of Directors.
During the Shareholders' Meeting held on April 24, 2019, the Board of Directors resolved to provide financial resources of € 50,000,00 thousand to the Control, Risks and Sustainability Committee to perform its activities.

9.3 INTERNAL AUDIT OFFICER

The Board of Directors appointed the Internal Audit Officer as the person in charge of verifying that the ICRMS is functional and suited to and coherent with the guidelines defined by the Board.
During the Board meeting held on December 19, 2019, the Board of Directors in compliance with the provisions of the Corporate Governance Code and on the input of the Designated Officer (now Chief Executive Officer) and following the favorable opinion of the Control, Risks and Sustainability Committee and of the Statutory Auditors, appointed Mr. Francesco Mongelli to the post of Internal Audit Officer, with effect as of January 1, 2020. The Internal Audit Officer was entrusted with tasks and responsibilities contained in the Code and detailed in the Guidelines.
Pursuant to the Code, the Board of Directors, with the support of the Control, Risks and Sustainability Committee has the task of providing the Internal Audit Officer with adequate resources to perform its tasks and of defining its compensation, coherently with the company's policy.
The Internal Audit Officer, who is not responsible for any operational area, is hierarchically dependent from the Board:

- monitors, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and the adequacy of the ICRMS, through an audit plan, which is approved by the Board of Directors annually and is based on a structured analysis and prioritization of key risks;
- has direct access to useful information to carry out his duty;

- draws up regular reports containing information on its activity, the procedures governing risk management, as well as on compliance with the programs defined for the mitigation of such risks. The regular reports provide a suitability assessment of the ICRMS;
- draws up promptly reports on relevant events;
- conveys the abovementioned reports to the Chairmen of the Board of Statutory Auditors, the Control, Risks and Sustainability Committee, and the Board of Directors and to the Chief Executive Officer (former Designated Officer).
- verifies, in relation with the audit plan, the reliability of the information systems, including the accounting systems.

Starting from January 1, 2013 the Internal Audit Officer's work-plan is approved on annual basis by the Board of Directors, after receiving a favorable opinion from the Board of Statutory Auditors and the Chief Executive Officer (former Designated Officer); the 2021 Audit Plan was approved during the meeting held on March 11, 2021 and the 2022 Audit Plan was subject to approval on March 16, 2022. At least once a year, the Internal Audit Officer reports and explains the controls carried out to the Board of Directors, the Chief Executive Officer, and the Control and Risks and Sustainability Committee and the Board of Statutory Auditors.
In compliance with his duties, in 2021, the Internal Audit Officer carried out his tasks drawing up and following an annual plan, that was presented to the Board of Statutory Auditors and Control, Risks and Sustainability Committee to show the results achieved during the year.
In 2021, the Internal Audit Officer carried out all the activities of his annual work-plan, reporting to the Control, Risks and Sustainability Committee during the meetings held on March 5, July 26 and December 9, and to the Board of Directors during the meeting held on March 11, 2021. The Internal Audit Officer reported to the Control, Risks and Sustainability Committee and to the Board of Directors again on March 7, 2022.

9.4 CODE OF CONDUCT AND ORGANIZATIONAL MODEL pursuant to legislative decree no. 231/2001

The Group's Code of Conduct
On December 18, 2006, the Issuer approved and implemented a Group's Code of Conduct ("**the Code of Conduct**"), with the aim of providing all employees with common consistent rules of conduct and defining their rights and obligations, as they apply to the performance of any activity that may affect the Issuer's interests. The Code of Conduct sets forth the general principles that define the values that underpin the Issuer's operations and it has been currently adopted by all Diasorin Group's companies.
On December 19, 2016, the Board of Directors approved a new edition of the Code of Conduct, in compliance with the new MedTech Code of Ethics. The update was carried out following the release of a new Code of Ethics drafted by MedTech Europe, an association representing the European IVD industry through EDMA-European Diagnostic Manufacturers Association; DiaSorin S.p.A., as a member of EDMA, was required to adopt the provisions – having an impact on the sections of the DiaSorin Group's Code of Conduct referred to the relationship with healthcare professionals and healthcare organizations - of the new MedTech Code of Ethics by the end of 2016. Briefly, the Code was amended to introduce a new section, entitled "*Relationship with Healthcare Professionals and Healthcare Organizations*" providing a series of principles and provisions regulating relationships with the abovementioned counterparties, to safeguard medical-scientific sector and create transparent and free of any commercial interest interactions.
The Code of Conduct currently in force is available on the Issuer's website (www.diasoringroup.com, Section "Governance/Code of Conduct").

The Organization and Management Model pursuant to Legislative Decree No. 231/2001

In order to ensure that all business transactions and corporate activities are carried out fairly and transparently, protecting the Company's position and image, meeting the expectations of its shareholders and protecting the jobs of its employees, the Board of Directors adopted the model required by Legislative Decree No. 231/2001 in connection with the Company's administrative liability for crimes committed by its employees (also referred to as the "**Model**") in apical positions and appointed the related Oversight Board, pursuant to Art. 6 and 7 of the abovementioned Legislative Decree.

This model was developed taking into account the provisions of Legislative Decree No. 231/2001, the guidelines provided by relevant trade associations (particularly those of Assobiomedica) and the guidelines published by Confindustria.

Moreover, the Issuer revised its Model to make it consistent with the new requirements of Legislative Decree No. 123/2007 and the rules on market abuse introduced by the TUF. The revised model includes two new Special Sections that concern violations of rules concerning health and safety on the job of Legislative Decree No. 81/2008 (Uniform Occupational Safety Code), and crimes involving market abuse (and manipulation) and abuse of insider information.

Subsequently, the Board of Director agreed to amend the Model, adding "Special Section E" that deals with certain issues listed in Legislative Decree No. 121/2011 concerning environmental crimes, and lastly the Board of Directors agreed to update Special Section "A" (Offences against the Public Administration) and Special Section "B", and added Special Section "F" (Employment of citizens of other countries illegally residing in the country) and, lastly, on November 11, 2015 updating Special Section "E" following the "new presumed offences" included in the provisions of Legislative Decree No. 231/2001.

In 2017, the Oversight Body carried out a regulatory adjustment on the Special Sections "B" and "C" of the 231 Model following the entry into force of Legislative Decree 38/2017 aimed at reinforcing the fight against corruption in the private sector and of MAR, providing new provisions on Market Abuse, respectively, in addition to mapping of the risks concerning the Special Sections "A" and "B", following the reorganization of some functional areas included in the abovementioned mapping that led to a change in the allocation of tasks and responsibilities.

The Oversight Board promoted a series of training sessions concerning responsibility issues, pursuant to Legislative Decree 231/2001 to support sale force in Italy and Global Procurement and Supply Chain Functions.

In 2019, the Board of Directors resolved to amend the Model with (i) the implementation of an IT system to manage reports received on violations and breaches of the Model, assuring confidentiality of the identity of the whistleblower (in accordance with the provisions of Legislative Decree no. 179/2017) – the so-called Whistleblowing (fully operational from June 30, 2019) and (ii) the introduction of a new Special Section ("Special Section G") – and related operating protocols – regarding receiving of stolen goods, money laundering, utilization of money, goods or other benefits of unlawful origin, self-laundering (as referred to in Article 25-*octies* of Legislative Decree 231/2001).

Lastly, on July 30, 2020, following the input of the Oversight Body and after receiving approval from the Control and Risks Committee, the Board of Directors resolved to introduce a new Special Part (called "Special Part H") – and the related operational protocols – concerning tax offences, as per Article 25-*quinquiesdecies* of Legislative Decree 231/2001 (introduced after the entry into force of the Legislative Decree no. 124 of 26 October 2019, as converted into law, with amendments by Law no. 157 of 19 December 2019).

The Board during the meeting held on May 14, 2021, approved the amendment to the General Section of the Model aimed at promoting an in-depth analysis of the Oversight Body's functions and roles with a relevant strengthening of information flows, to the Oversight Body's benefit.
In 2022, a proposal to amend the Special Sections will be submitted to the Board of Directors. The amendment will concern risks mapping, also in view of the new types of offences following the implementation of (EU) Directive 2017/1371 (the so-called PIF Directive). More generally, in the light of the new organizational structures due to the expansion of the company scope, the Company needs to update and adjust its Organization Model pursuant to Legislative Decree 231/2001, taking into account the indications required by reference case-law, Regulation and best practice in order to supplement the Model with business processes and make it consistent with the new structure, business processes, company processes, new supporting documentation, as referred to reference Regulation , case-law and best practices.
As of the year-end date, the model (whose summary is available on the Company's website www.diasoringroup.com, Section "Governance/ Governance Documents/Code of Conduct and Model 231") includes:

- "General Section": includes (i) the description of the regulatory framework, (ii) the governance and organizational structure adopted by Diasorin for preventing the commission of crimes, (iii) the purposes of the Model, (iv) the requirements and tasks of the Supervisory Body (see below), (v) the disciplinary measures adopted by the Company in case of non-compliance with the measures set out in the Model and (vi) the training and communication plan to ensure an accurate knowledge and awareness of the provisions of the Model by all the persons who must observe them.
- "Special Section A": includes the crimes covered by Articles 24 and 25 of the Decree committed in the course of relations with the Public Administration;
- "Special Section B": covers the so-called "Corporate" crimes, including the corruption between private parties;
- "Special Section C": encompasses the crimes provided for in Market Abuse Regulation and in the TUF on "Market Abuse";
- "Special Section D": includes "the unintentional manslaughter and unintentional serious or very serious injuries committed in breach of applicable regulations on health and safety at work as set out in the Legislative Decree 123/2007;
- "Special Section E" includes the environmental crimes introduced by Article 2 of Legislative Decree July 7, 2011 n. 121;
- "Special Section F" encompasses the crimes regarding " Employment of citizens of other countries illegally residing in the country" as provided for in Article 22 paragraph 12-*bis* of the Legislative Decree 286/1998 and transposed by Article 25-*duodecies* of the said Decree.
- "Special Section G" encompasses the crimes regarding "Receiving of stolen goods, money laundering, utilization of money, goods or other benefits of unlawful origin, self- laundering" as referred to in Article 25-*octies* of Legislative Decree 231/2001.
- "Special Section H" encompasses tax offences as referred to in Articles 2,3,8,10 and 11 of Legislative Decree 74/2000 regulated by Article 25-quinquiesdecies of the Decree, introduced following the entry into force of the Legislative Decree 124/2019, as converted into law, with amendments by Law no. 157/2019.

The Oversight Body, in office until its revocation, includes in its collective form the following members: Mr. Ezio Maria Simonelli (external member) appointed as a member on May 13, 2021 and as a Chairman on July, 30,2021, Mr. Matteo Michele Sutera (Statutory Auditors) appointed on July 30, 2021 and Mr. Ulisse Spada as a Corporate V.P. General Counsel, in the light of the provisions of Article 6. Recc. 33 lett.e) of the Corporate Governance Code, according to which the Board of Directors considers the Head of the Legal Department to be included among the members

the Oversight Board in order to ensure cooperation between the various parties involved in the ICRMS. The Oversight Body is responsible for ensuring that the Model is functioning correctly, is effective and is being complied with, and for recommending updates to the model and Company procedures, when appropriate. To this end, on March 16, 2022 the Board of Directors resolved to provide the Oversight Body with financial resources amounting to € 50,000,000 for the year ended December 31, 2022, confirming the same budget provided in 2021.
Twice a year, the Oversight Body submits to the Board of Directors the findings of its oversight activity. Last meeting was held on March 16, 2022.

9.5 INDEPENDENT AUDITORS

Pursuant to a resolution approved by the Shareholders' Meeting on April 28, 2016, the Company appointed PricewaterhouseCoopers S.p.A., on a reasoned proposal by the Board of Statutory Auditors, for the 2016-2024 period.

9.6 CORPORATE ACCOUNTING DOCUMENTS OFFICER

Pursuant to Article 15 of the By-Laws, the Board of Directors, which is required to act with the mandatory input of the Board of Statutory Auditors, has jurisdiction over the appointment and dismissal of the Documents Officer and over the determination of his compensation. The Documents Officer must meet the integrity requirements of the relevant statutes currently in force for those who perform administrative and management functions, as well as professional requirements that include specific expertise in administrative and accounting issues. Expertise in these areas must be verified by the Board of Directors and must be the result of work performed in a position of sufficiently high responsibility for an adequate length of time.
On April 28, 2016, the Board of Directors appointed Mr. Piergiorgio Pedron (Manager of the Issuer's Accounting, Finance and Control Department) to the post of Documents Officer, for an unlimited time, after verifying compliance with the requirements of integrity and professional expertise and taking into account the favorable opinion of the Board of Statutory Auditors, granting him the powers required pursuant to Article 154-*bis* of the TUF, and specifically:

- free access to all information considered important for fulfilling his duties, both within Diasorin S.p.A. and within the companies in the Group, with the power to inspect all the documentation related to drawing up the accounting documents of Diasorin S.p.A. and the Group and with the power to request explanations and elucidations of all the subjects involved in the process of forming the accounting data of Diasorin S.p.A. and the Group;
- attendance at the meetings of the Board of Directors;
- the right to dialogue with Control, Risks and Sustainability Committee;
- the right to approve the company procedures, when they impact the balance sheet, the consolidated financial statements and the documents submitted for certification;
- participation in designing the information systems that impact the economic asset and financial situation;
- the right to organize a suitable structure (amount and skills of resources) within his own area of activity, internally employing the available resources and, where necessary, outsourcing;
- the right to employ the Internal Audit function for mapping the processes of competence and in the phase of execution of specific checks, with the possibility, if this Function is not internally present, of using resources through outsourcing;
- the possibility of using the information systems for monitoring activity;
- the approval and signing of each document connected to the function of the accounting documents officer and/or that required the statement pursuant to the rules.

The Board of Directors acknowledges the annual compensation of Mr. Pedron for the post of Accounting Document Officer, pursuant to art. 154-*bis* TUF, has to be included in the annual compensation of Mr. Pedron as Company Director.

9.7. COORDINATION OF PARTIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Company has attributed the function of coordinating parties involved in the ICRMS to the Board of Directors, which carries out such activity through the Chief Executive Officer. Such function has been duly and regularly performed in 2021. In particular, Company's Guidelines analytically identify activities carried out by parties involved in the ICRMS, determining concrete procedure for coordination in order to make activities of each party more efficient. Specifically, all members of the Board of Statutory Auditors, managers directly involved in the company risk management and the Chief Executive Officer participate in the Control, Risks and Sustainability Committee meetings, for the purposes of the ICRMS.
Pursuant to Article 6, Recommendation 37 of the Corporate Governance Code, the CRS Committee and the Board of Statutory Auditors exchange information relevant to the performance of their respective tasks in a timely manner.
The Control, Risks and Sustainability Committee reports to the Board of Directors about the work performed and the ICRMS adequacy at least once every six months. As for the Oversight Body, its coordination with other parties involved is fully ensured by the presence the Board of Statutory Auditors members and of the General Counsel, as members of the Oversight Body. Lastly, the Board of Statutory Auditors, during its quarterly audits, meets periodically the Documents Officer, the Independent Auditors and all the company functions involved in processes and procedures being audited by the Board of Statutory Auditors, including those concerning the ICRMS.
On March 16, 2022, the Board of Directors, pursuant to Article 6, Recommendation 33 of the Corporate Governance Code, after consulting the Internal Audit function, the Control, Risks and Sustainability Committee and the Oversight Body deemed the ICRMS, including procedures for coordinating the parties involved, to be adequate.

10. INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES -COMMITTEE FOR RELATED-PARTY TRANSACTIONS

10.1 INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES

With regard to related-party transactions, the Issuer's Board of Directors adopted a Procedure for Related-Party Transactions and established a Committee for such transactions.
The Board of Directors adopted the Procedure on November 5, 2010, in accordance with Consob Regulation on Related-Party transactions, in force at that date. The Procedure went into effect on January 1, 2011 and was amended:

- by the Board of Directors on March 14, 2019 – following approval from the Related-Party Committee on February 27, 2019, in order to, *inter alia*, take into account that from the date on which 2017 consolidated data have been approved, the Company is no longer qualified as "small sized company" pursuant to art. 3, paragraph 1, lett. f) of the CONSOB Related Parties Regulation;
- in 2021, by the Board of Directors on May 14, 2021, following a favorable opinion by the Committee for Related-Party Transactions, in order to adjust it to the amendments brought to the Consob Regulation on Related-Party Transactions and Consob Market Regulation

by Consob Resolution no. 21624 of 10 December 2020 implementing, also at secondary legislation level, the contents of Directive (EU) 2017/828, the so-called "Shareholders' Right Directive"

The updated Procedure for Related-Party Transactions is published pursuant to the Consob Related Parties Regulation on the company website www.diasoringroup.com, Section "Governance/ Governance Documents/ Procedures". The list of Company's Related Parties, annexed to the Procedure, is updated at any time, if necessary, and revised on an annual basis and shared with The Committee for Related-Party Transactions.
Referring to the abovementioned Procedure, Directors who have a vested interest in a transaction must provide in a timely manner full information regarding the existence of a vested interest and the circumstances of the same to the Board, evaluating on a case-by-case basis the opportunity of leaving the meeting at the time at which the resolution is taken and to abstain from voting on the matter. In case the vested interest is held by a Chief Executive Officer, the same abstains from carrying out the operation. In such cases, the resolutions of the Board of Directors will motivate adequately the reasons and interest of the Company to carry out the operation.
The Board of Directors takes the appropriate decisions in the case that Directors abandoning the meeting when the matter is discussed would result in there no longer being the required quorum.
In 2021, no operations concerning Directors with direct or indirect interest or Related-Party interest have been carried out.

10.2 COMMITTEE FOR RELATED-PARTY TRANSACTIONS

The Committee for Related-Party Transactions consists of Independent Directors - Franco Moscetti (serving as Chairman), Giuseppe Alessandria and Roberta Somati.
The frequency, the average length, the attendance percentage at the meetings of the Committee for Related-Party Transactions are listed in Table 3 annexed to this Report, to which reference is made.
In 2021, the Committee for Related-Party Transactions met on March 5, 2021 to monitor the update of the List of Related Parties and receive information on a related-party transaction, subject to the exemption referred to in the Procedure and on May 12, 2021 to examine the proposal to amend the Procedure for Related-Party Transactions. The aforementioned meetings of the Committee for Related-Party Transactions– coordinated by its Chairman – have been regularly recorded and communicated to the first scheduled Board of Directors' meeting by the Chairman of the Committee.
On December 16, 2021, the Board provided the Committee for Related-Party Transactions with its own Regulation. In 2022, the Committee for Related-Party Transactions met on January 21, 2022 in order to verify the update of the List of Related Parties and express its opinion on a proposal of derogation from the Remuneration policy, described in the remuneration Report, pursuant to art 123-*ter* TUF, to which reference is made.

11. BOARD OF STATUTORY AUDITORS

11.1 APPOINTMENT AND REPLACEMENT OF STATUTORY AUDITORS

Pursuant to Article 18 of the By-Laws, the Board of Statutory Auditors is comprised of 3 (three) Statutory Auditors and 2 (two) Alternates, who are elected for a three-year term of office and may be re-elected.
Statutory Auditors must meet the requirements of the relevant laws currently in force, also with regard to the limits on the number of posts they may hold. Specifically, in the areas of professional requirements, for the purposes of the provisions (when applicable) of Article 1, Section 3, of

Ministerial Decree No. 162 of March 30, 2000, which makes reference to Section 2, Letters b) and c), of the abovementioned Article 1, it shall be understood that the expression "subject matters closely related to the businesses in which the Issuer is engaged" shall be understood to mean those related to the healthcare and medical industries.
The provisions of the Issuer's By-Laws (Article 18) that govern the composition and the election of the Board of Statutory Auditors effectively ensure compliance with rules and Regulation concerning with provisions concerning rights of minority shareholders' rights, independence of Directors and gender balance.

As regards amendments introduced by Budget Law no. 160/2019 on gender balance as referred to Article 148, Paragraph 1-bis of TUF[5], it should be noted that Consob by resolution no. 21359 of 13 May 2020 amended the provisions of paragraph 3, art. 144-*undecies*.1 of the Issuers' Regulation providing that if the application of the gender distribution criterion does not result in a whole number of members of the Board of Directors and Board of Statutory Auditors belonging to the less represented gender, this number is rounded up to the next higher unit, with the exception of the corporate bodies made up of three members whose number is rounded down[6].
The reserve criterion of at least two-fifths shall be applied on the first election of the corporate body following the date on which the law came into force; therefore, as provided in Section 4.1 of this Report, the company By-Laws shall be amended to include the new rules on gender balance. Such rules will be applied at the next renewal of the Board of Statutory Auditors, at the Shareholders' Meeting called to approve the financial statements at December 31, 2021.
In this regard, the Shareholders' Meeting of April, 22, 2021 amended, among other things, article 18 of the By-Laws relating to the composition (in terms of gender balance) of slates filed with a number equal to or with more than 3 candidates in order to eliminate the reference to the previous quota of one third and require that the slates shall be composed of candidates belonging to both genders so that the first two candidates for the post of Statutory Auditor and the first two candidates for the post of Alternates belong to different genders.

This paragraph provides details on the election of corporate bodies, in accordance with the statutory provisions currently in force.
The Board of Statutory Auditors is elected on the basis of slates of candidates filed by shareholders. Each shareholder, shareholders belonging to a shareholders' agreement that meet the requirements of Article 122 of the TUF, the Company's controlling party, its subsidiaries and joint ventures that qualify as such pursuant to Article 93 of the TUF may not file or participate in the filing, directly or through a third party or a nominee, of more than one slate and may not vote for multiple slates. Each candidate can be included on only one slate, on penalty of losing the right to be elected. Votes cast in violation of this requirement will not be attributed to any slate of candidates.
According to the By-Laws only shareholders who represent at least the percentage of the share capital required by the By-Laws for the submission of slates concerning the appointment of the members of the Board of Directors (and thus Shareholders who, individually or jointly, collectively own shares representing at least the percentage of share capital subscribed at the date the slate is filed, which is laid down and published by Consob, pursuant to Issuers' Regulation). In compliance with Art. 144-*septies*, paragraph 1, of the Consob Issuers' Regulation, Consob

[5] Paragraph 1-*ter,* of Article 147-*ter*, of TUF, in force at the date of this Report provides, inter alia, that "*the less represented gender shall obtain at least two fifths of the appointed Directors. This criterion shall apply for six consecutive mandates*".
[6] Pursuant to Paragraph 3, of Article 144-*undecies*.1 of the Issuers' Regulation, as amended by Consob Resolution no. 21359 of 13 May 2020, "*the application of the gender distribution criterion does not result in a whole number of members of the Board of Directors and Board of Statutory Auditors belonging to the less represented gender, this number is rounded up to the next higher unit, with the exception of the corporate bodies made up of three members whose number is rounded down*".

established under the Management Decision of the Head of the Corporate Governance Division no. 60 of 27 January 2022 that shareholders' owing a shareholding equal to 1% of the Share Capital are entitled to present the slates of nominees to allocate the Directors to be elected.
Slates filed with a number equal to or with more than 3 candidates shall be composed by candidates belonging to both genders so that the first two candidates for the post of Statutory Auditor and the first two candidates for the post of Alternates belong to different genders.
Slates filed by shareholders must be deposited at the Company's registered office at least 25 (twenty-five) days prior to the date of the first calling of the Shareholders' Meeting, on penalty of becoming invalid, together with the documents required by the By-Laws, and specifically:

(i) Information identifying the shareholders who are filing the slates and showing the total percentage interest held;
(ii) An affidavit by the shareholders different from those who hold, jointly or individually, a controlling or relative majority interest attesting that they are not linked with the latter as a result of transactions such as those defined in the relevant laws and Regulation currently in force;
(iii) Detailed information about the candidates' backgrounds, affidavits by the candidates attesting that they meet statutory requirements and accept the nomination and listings of any management and control posts held by the candidates at other companies.

Within the deadline set out in the applicable regulation for the publication of slates by the Company, the appropriate certification must be filed, issued by an intermediary qualified pursuant to law, which proves ownership, at the time the list is filed at the Company, of the number of shares needed to present said slates.

If the conditions set forth above are not complied with, the affected slate shall be treated as if it had never been filed.
The election system set forth in the By-Laws is as follows:

(a) The Statutory Auditor candidate listed first in the slate that received the second highest number of votes and is not in any way linked, directly or indirectly, with the parties who filed the slate that received the highest number of votes is elected to the post of Statutory Auditor and Chairman of the Board of Statutory Auditors;
(b) The candidates listed, respectively, first and second in the slate that received the highest number of votes are elected to the post of Statutory Auditor. Alternate candidates who are listed first in the slates that received the highest and second highest number of votes are elected to the post of Alternate.

If two or more slates receive the same number of votes, a new balloting is held. If the outcome of the second balloting is still a tie, the slate filed by the shareholders controlling the largest equity interest or, failing that, the slate filed by the largest number of shareholders shall prevail.
If with the manner above described the composition of the Board of Statutory Auditors with reference to the Statutory Auditors, does not comply with the laws currently in force on gender balance, the necessary replacements, in consecutive order, with candidates running for the election as Statutory Auditors from the slate that received the highest number of votes shall be carried out.
If only one slate of candidates is filed, the Statutory Auditors and Alternates are elected from that slate, in compliance with the laws currently in force on gender balance.
If no slates are filed, the Shareholders' Meeting shall adopt the relevant resolutions with the majorities required pursuant to law, in compliance with the laws currently in force on gender balance.
If a Statutory Auditor needs to be replaced, he/she is replaced by an Alternate taken from the same slate as the Statutory Auditor who is being replaced. The Alternate thus elected will serve until the next Shareholders' Meeting.

If the Chairman of the Board of Statutory Auditors needs to be replaced, the Chairmanship will pass to the Statutory Auditor elected from the same minority slate. When the Shareholders' Meeting needs to elect replacement Statutory Auditors and/or Alternates, it shall proceed as follows: if the Statutory Auditors that need to be replaced had been elected from the majority slate, they shall be elected by a plurality of the votes, without any slate requirements; if, on the other hand, the Statutory Auditors that need to be replaced had been elected from the minority slate, the Statutory Auditors are elected by a plurality of the votes taking them from the slate to which the Statutory Auditors who are being replaced belonged. If, for any reason, the use of the abovementioned procedures would not result in the replacement of Statutory Auditors designated by minority shareholders, the Shareholders' Meeting shall act by a plurality of the votes. However, in the ballot counting process, the votes cast by shareholders who, based on disclosures provided pursuant to current laws, control, directly or indirectly or jointly with other members of a shareholders' agreement, as defined in Article 122 of the TUF, a majority of the votes that may be cast at a Shareholders' Meeting and shareholders who control, are controlled by or are subject to joint control by the former shall not be counted.
The replacements procedure of the sections above shall comply with the laws currently in force on gender balance.
Additional information about the method used to elect the Board of Statutory Auditors is provided in Article 18 of the By-Laws.

11.2 COMPOSITION AND FUNCTIONING OF THE STATUTORY AUDITORS (pursuant to art. 123-*bis*, section 2, letter d) and d-*bis*), TUF)

The Board of Statutory Auditors performs the task and activities required pursuant to law. Moreover, Statutory Auditors, acting collectively or individually, may ask the Directors to provide information, clarify previous disclosures and, more in general, furnish data about the Company's operating performance or specific transactions. They may also carry out at any time inspections and controls and request information pursuant to law.
Two members of the Board of Statutory Auditors acting jointly, have the right to convene a Shareholders' Meeting.
The Board of Statutory Auditors is required to meet at least once every 90 days. See Table 4 for further details on meetings held.
In 2021, the Board of Statutory Auditors held 14 meetings. The average length of meetings was 2 hours and 30 minutes. In 2022, the Board of Statutory Auditors met on February 17, 2022, March 3, 2022 and march 8, 2022. At the date of this Report, three meetings are scheduled. The first was on March 16, 2021.
The Issuer's Board of Statutory Auditors was appointed by the Ordinary Shareholders' Meeting held on April 24, 2019. The Board's term expired with the Shareholders' Meeting to be called to approve the financial statements for the year ending 31 December 2021.
The Board of Statutory Auditors was appointed on the basis of two slates. The first slate has been filed by IP Investimenti e Partecipazioni S.r.l., which certified its ownership of an equity interest equal to about 41.109% of the Company's common shares. The second slate has been filed as minority list by a number of asset management companies representing their funds which certified their ownership of an overall equity interest equal to 1.012% of common shares. Pursuant to the By-Laws, the Statutory Auditor candidate listed first in the slate that received the second highest number of votes (namely the slate presented by minority shareholders, receiving 16.974% of the voting capital) was elected to the post of Chairman of the Board of Statutory Auditors and Statutory Auditor. The candidates referred to in 1) and 2) listed in the slate that received the highest

number of votes (and specifically from the slate filed by IP Investimenti e Partecipazioni S.r.l., receiving 82,831% of the Voting capital) were elected to the post of Statutory Auditors. Alternate candidates referred to in 1) listed in the slates presented by minority shareholders and by the reference shareholder were elected to the post of Alternates.

The members of the Board of Statutory Auditors currently in office, are as follows:

First and last name	Place and date of birth	Post held	Domicile for post held
Monica Mannino	Palermo, October 18, 1969	Chairman	Saluggia (VC) Via Crescentino snc
Ottavia Alfano	Milan, May 2, 1971	Statutory Auditor	Saluggia (VC) Via Crescentino snc
Matteo Michele Sutera	Milano, September 29, 1981	Statutory Auditor	Saluggia (VC) Via Crescentino snc
Romina Guglielmetti	Piacenza, March 18, 1973	Alternate	Saluggia (VC) Via Crescentino snc
Cristian Tundo	San Pietro Vernotico, October 25, 1972	Alternate	Saluggia (VC) Via Crescentino snc

Pursuant to Articles 144-*octies* and 144-*decies* of Consob Issuers' Regulation, the professional *curricula* of the Statutory Auditors and the Alternates are available at the Issuer's registered office and at the Issuer's website www.diasoringroup.com (Section "Governance/Shareholders' meeting /2019") as part of the application forms and relevant documents. The Board of Statutory Auditors oversaw the independence of the external auditors, verifying that the relevant legal requirements were met, as well as the nature and extent of the various auditing services carried out for the Company and its subsidiaries by the external auditors and its network. The assessment for the year will be expressed in the report presented to the Shareholders' meeting that will approve the financial statements for the year ending December 31, 2021.

In performing its duties, the Board of Statutory Auditors coordinates and collaborates with the internal auditing department and with the Control, Risk and Sustainability Committee, through joint meetings and constant exchange of documentation.

The Legislative Decree no. 39/2010, as last amended by the Legislative Decree no. 135/2016, attributed to the Board of Statutory Auditors the function of committee for internal control and accounting audit and in particular:

- informing the Board of Directors of the result of the legal audit and provides them with an up-to-date report in accordance with Article 11 of European regulation 537/2014, complete with comments;
- monitoring financial reporting process and submit recommendations or proposals to ensure its integrity;
- monitoring the effectiveness of the undertaking's internal control, internal audit where applicable, and risk management systems, as regards the financial information of the audited entity, without violating its independence;
- monitoring the statutory audit of separate financial statements and- if required- of consolidated financial statements, also taking account of any possible result and conclusion of quality control processes carried out by CONSOB according to Art. 26, paragraph 6, of Regulation (EU) 537/2014, where available;
- establishing and monitoring the independence of independent auditors or of the accounting firm according to Articles 10, 10-*bis*, 10-*ter*, 10-*quater* and 17 of Legislative Decree 39/2010 and Art. 6, paragraph 6, of Regulation (EU) 537/2014, in particular as regards the provision

of adequate services other than auditing to the Company, in accordance with Art. 5 of said Regulation;
– carrying out any procedure aimed at selecting independent auditors or accounting firms and advise on independent auditors or accounting firms to be appointed pursuant to Art. 16 of Regulation (EU) 537/2014.

Additional information on activities carried out by the Board of Statutory Auditors is provided in the report of the Statutory Auditors.

Diversity policy and criteria

In accordance with Art. 125-*ter* of the TUF, the Board of Directors included in the explanatory reports recommendations to the Shareholders' Meeting convened to approve the financial statements at December 31, 2018, concerning the appointments of the Board of Directors and the Board of Statutory Auditors and, also pursuant the Application Criterion 1.C.1. lett. h) of the Corporate Governance Code, concerning the diversity of the corporate bodies' composition. Such explanatory reports are available in the Issuer's website at www.diasoringroup.com, Section "Governance/Shareholders' Meeting/2019".

The Issuer complied with regulations on gender balance concerning the composition of corporate bodies at the meeting held on April 22, 2013, to appoint said bodies and subsequently at the meeting held on 24 April 2019 to renew their last term of office. The Board of Statutory Auditors currently in office as at the date of this Report is composed of 1 man and 2 women, while as regards the Alternates, the Board is composed of 1 man and 1 woman (in office since 2013).

The Board of Statutory Auditors is composed of members belonging to the following age groups: two members belong to the 51-60 age group, while one member belongs to the 41-50 age group. Finally, both Alternates belong to the 41-50 age group. All Statutory Auditors and one Alternate work as Certified Public Accountants and Independent Auditors; one Alternate works as a lawyer. The Board of Directors in the meeting held on November 11, 2021 resolved to implement art. 2, principle VII, Recommendation 8 of the Corporate Governance Code providing for diversity criteria in the composition of the Board of Statutory Auditors to be included in the Explanatory report pursuant to art. 125-*ter* of TUF concerning the appointment of the new control body on the basis of the outcomes of the Board of Statutory Auditors' evaluation.

Independence.

The Board of Statutory Auditors, taking also into account the requirements for Directors that are set forth in Article 2, Recommendation 7 of the Corporate Governance Code, assesses the independence of its members upon their election and at least once a year while they are in office. See Section 4.7 for the Company's decision not to define ex-ante fixed and predetermined quantitative and qualitative criteria to assess the independence of the members of the Board of Directors and Control Bodies.

The Board of Statutory Auditors assesses periodically the independence of the Independent Auditors and provides each year its opinion on this issue in a report to the Shareholders' Meeting. The Board of Statutory Auditors:

- assessed the independence of its own members on April 24, 2019 during the Shareholders' Meeting held to appoint statutory auditors. This assessment has been disclosed to the public by press release on the same date;

- assessed on March 8, 2022, following the evaluation process carried out by its own members the outcomes of which are described in the "Evaluation Report" forwarded to the Board of

Directors, whether the independence requirement continued to apply to its own members (disclosed to the public by press release);

- in carrying out these assessments, applied all the criteria set out in the Code related to the independence of Directors.

Compensation.

Information about (i) the Company policy for compensation of Statutory Auditors, and (ii) fees paid in 2021 is provided in Section I and Section II of the Report on the Remuneration policy and fees paid published pursuant to Art. 123-*ter* of the TUF on the Company's website: www.diasoringroup.com, Section "Governance/Shareholders' meeting /2022", to which reference is made.

Interest management

The Statutory Auditor who, on his own behalf or on behalf of a third party, has an interest in a particular Company transaction, has to promptly provide comprehensive information on the nature, terms, origin and scale of such interest to the other Statutory Auditors and to the Chairman of the Board.

12. INVESTOR RELATIONS

Access to information

The information activity in relations with Stakeholders is ensured, first and foremost, through the provision of corporate information and documentation, in a timely and continuous manner, on the Issuer's website (www.diasoringroup.com, Sections "*Governance", "Investors*" and "*Media*"); in particular, the website provides access to documents, regulated information and information of most interest, including that relating to the equity story, strategy and the most important strategic agreements concluded by the Group in recent years. In order to ensure that Stakeholders are constantly updated, the Company publishes specific press releases (available in Section "*Investors/Financial Corner/Press Releases*" and in Section "*Notices to Shareholders*"*)*, in a timely and ongoing manner. For the transmission and storage of regulated information, the Issuer uses the eMarket SDIR dissemination system and the eMarket STORAGE storage mechanism, respectively, both managed by Spafid Connect S.p.A., with registered office in Milan, Foro Buonaparte 10.

Shareholder engagement.

The Issuer's departments with jurisdiction over this area are actively engaged in an on-going dialog with the shareholders.

As part of this process and pursuant to Article 2.2.3, Section 3, Letter k), of the Stock Exchange Regulation, the Company established an internal Investor Relations Office, with responsibility for handling relations with all shareholders, including institutional investors, and may be asked to perform additional tasks in connection with the handling of price sensitive information and relations with the Consob and Borsa Italiana. As of the date of this Report, this office is currently headed by Mr. Riccardo Fava.

Shareholders can contact directly DiaSorin Investor Relations at ir@diasorin.it.

In line with international best practices, the Issuer organizes specific institutional (including virtual) meetings and other communication and meeting opportunities. In particular, engagement also takes place through (i) the organization of roadshows in all the main financial centers, during

which the Company is available to discuss issues concerning the Group's operational performance and strategic choices; (ii) meetings with the financial community (so-called Investor Days); (iii) organization of one-to-one meetings with Stakeholders; (iv) conferences; (v) forums; (vi) scientific and commercial events; (vi) social channels.
It should be noted that the Board of December 16, 2021 adopted, upon proposal of the Chairman in agreement with the CEO, pursuant to art. 1, Principle IV., Recommendation 3 of the Corporate Governance Code, an engagement policy which has been drawn up taking into account, inter alia, the engagement policies adopted by institutional investors and assets managers and has been published on the Issuer's website (www.diasoringroup.com, Section "Governance"/ "Governance Documents" / "Procedures").
The 2022 Report on Corporate Governance and ownership structure will provide adequate information on the policy implementation.

13. SHAREHOLDERS' MEETINGS (PURSUANT TO ART. 123-BIS, SECTION 2, LETTER C), TUF)

When convened in ordinary session, the Shareholders' Meeting has jurisdiction over the following areas:

a) it approves the financial statements;
(b) it elects and dismisses the Directors, Statutory Auditors and the Chairman of the Board of Statutory Auditors and the Accounting Document Officer, where required;
(c) it determines the compensation of Directors and Statutory Auditors;
(d) it votes on resolutions concerning the responsibility of Directors and Statutory Auditors;
(e) it votes on resolutions concerning other matters over which it has jurisdiction pursuant to law and issues any authorizations that the By-Laws may require in connection with activities carried out by Directors, who are responsible for the actions they perform;
(f) it approves Regulation governing the handling of Shareholders' Meetings;
(g) it votes on resolutions concerning any other issue over which it has jurisdiction pursuant to law.
The Extraordinary Shareholders' Meeting approves resolutions concerning amendments to the By-Laws, the appointment, replacement and powers of liquidators, and any other issue over which it has specific jurisdiction pursuant to law. The Board of Directors has jurisdiction over the areas listed in Article 15 of the By-Laws, it being understood that it can cede jurisdiction over these issues to the Shareholders' Meeting convened in extraordinary session.
The relevant provisions of the law shall be applied to determine whether an Ordinary or Extraordinary Shareholders' Meeting has been validly convened and its resolutions validly adopted.
Pursuant to Article 9 of the By-Laws, only the holders of voting rights may attend the Shareholders' Meeting, in accordance with the regulations in effect at any given time.
Parties eligible to vote may submit questions about the items on the Agenda prior to the Shareholders' Meeting. Questions from eligible parties that are received prior to the Shareholders' Meeting and are pertinent to the items on the agenda shall be answered at least on the day of the Meeting. The Company may provide a single answer to question with the same content. The notice calling the meeting specifies the terms within which questions raised prior to the shareholders' meeting must reach the company. The terms must be no earlier than five trading days prior to the date of the first or only calling of the shareholders' meeting, or at the record date pursuant to article 83-*sexies*, paragraph 2, TUF (close of the accounting day on the seventh trading day prior to the date set for the Meeting) where the notice requires the Company to reply to submitted questions prior to the Meeting. In this case, replies are provided at least two days prior to the Shareholders' Meeting also by publication in a specific section of the company website. Ownership of the voting

right can be proved even after submission of questions provided that it occurs within the third day following the abovementioned record date.
At present, the Issuer finds no need to adopt special Regulation to govern the handling of Shareholders' Meetings, since it believes that the governance of the Meeting exercised by the Chairman, in accordance with attendance rules summarized by the Chairman at the beginning of each session, is adequate. The Chairman to ensure an orderly progress of the proceedings, mentioned some of the rules of conduct in reference to speech requests, contents of the speech and voting criteria.

Pursuant to Article 106, Paragraph 4 of Legislative Decree no. 18 of 17 March 2020, converted into law no.27 of 24 April 2020 providing " *Measures to strengthen the National Health Service and economic support for families, workers and businesses related to the COVID-19 epidemiological emergency*", and as last amended by art. 3, paragraph 6 of Legislative Decree 183/2020 converted into law 21/2021 during the Shareholders Meetings convened in 2021 (on April 22, 2021 and on October 4, 2021), those who were entitled to vote may participate in the Shareholders' Meeting only through the Designated Representative chosen by the Company, pursuant to Article 135-*undecies* of TUF (by conferring proxy); under the same provision, Directors and Statutory Auditors attended the Meeting through remote connection systems that allowed identification. In 2021, no significant changes occurred in the market capitalization or ownership structure of the Company, except for the effects of the increased voting rights as described in Paragraph **2** of this Report.

14. ADDITIONAL CORPORATE GOVERNANCE PRACTICES (PURSUANT TO ART. 123-*BIS*, SECTION 2, LETTER A), TUF)

There are no additional corporate governance practices, other than those described above, that the Issuer applies above and beyond its legislative and regulatory obligations.

15. CHANGES OCCURRING AFTER THE CLOSE OF THE REPORTING YEAR

No changes occurred in the Corporate Governance of the Issuer between the end of the reporting period and the date on which the Annual Report was published.

16. CONSIDERATIONS ON THE LETTER DATED DECEMBER 3, 2021 FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

The letter of the Chairman of the Corporate Governance Committee of December 3, 2021 to the Chairmen of Boards of Directors of listed companies has been forwarded to the Directors and to the Chairman of the Board of Statutory Auditors by the Lead Independent Director on January 24, 2022, with the request to consider the recommendations contained therein in the evaluation process in order to identify possible evolutions of the governance or fill the gap in the applications or explanations provided.

The Board acknowledged that the Issuer's governance is basically in line and consistent with the recommendations of the Corporate Governance Code.

With regard to the areas of improvement indicated in the letter, the Board of Directors during the meeting held on March 16, 2022 expressed the following considerations:

- **Sustainable development**: The Issuer is committed to improving the effectiveness of its operations, placing long-term sustainable development at the heart of its structure and strategies, for the benefits and interest of its Shareholders and all the other stakeholders. These considerations led the Issuer to entrust the Control and Risks Committee with the task of examining sustainability issues, as provided for in the Corporate Governance Code, and assigning it the duty of assisting the Board in defining business strategies. The integration of sustainability goals has been further strengthened by the task granted to the Control, Risks and Sustainability Committee of supporting the Board in the analysis of relevant issues for the generation of long-term value upon examination and approval of the Company's and the Group's business plan. Further information is provided in Section 9, "Control, Risks and Sustainability Committee".
- **Shareholder engagement**: The Issuer has formalized the dialogue with shareholders by adopting a shareholder engagement policy, published on the Issuer's website www.diasoringroup.com Section "Governance/Governance Documents/Corporate Procedures". Further information is provided in Section 14 "Investor Relations".

- **Issuer classification for the purposes of the Corporate Governance Code**: the Issuer qualifies as "large" and "concentrated ownership" company. Further information is provided in Section 1 "Profile of the Issuer".

- **Criteria for assessing the significance of professional, commercial and financial relationships and of additional remuneration to verify the independence of directors**: The Issuer has decided not to use criteria to define ex-ante the significance of professional, commercial and financial relationships and of additional compensation. With respect to the critical aspects highlighted in the Letter from the Chairman of the Corporate Governance Committee, the Chairman of the Board of Director is not independent. Further information is provided in Section 4.6. "Independent Directors".

- **Pre-meeting information**: in the meeting held on December 16, 2021, the Issuer approved the Board of Directors' and internal Board Committees' regulation formalizing the procedure followed in the past. Specifically, any documentation relating to the items on the agenda is made available to those concerned at least three working days before the meeting, with the exception of urgent cases or confidentiality needs. In such event, adequate and timely insights will be provided during the meeting. An IT platform facilitating browsing and storage of documents has been made available to corporate office-holders. In accordance with the Board regulation, the possibility of not making the pre-meeting information available within the agreed deadline due to urgent cases or confidentiality needs will be applied only in very exceptional circumstances (e.g., approval of extraordinary transactions) and limited to that information, the disclosure of which may jeopardize the transaction outcome. Information that is not promptly shared with the Board is subjected to further analysis and relevant outcomes are made available, through presentations, to attendees during the meeting.

- **Appointment and succession of Directors**: coherently with the procedures previously adopted, in view of the renewal of the Board of Directors, which would occur at the Shareholders' Meeting called to approve the annual financial report at December 31, 2021, the Compensation and Nominating Committee submitted to the Board a proposal on the guidelines concerning size and composition of the new Board, taking into account the outcomes of the evaluation carried out in the early months of the year. These guidelines, following the Board approval, will be made available simultaneously to the Shareholders' Meeting notice. Further information concerning appointment of directors is provided in Section 4.1. "Appointment and replacement".

- **Measures to promote gender equality**: Further information on measures to promote diversity in the Board and in the Board of Statutory Auditors is provided in Section 4.2. "Composition" and Section 13 "Composition and functioning of the Board of Statutory Auditors". As regards gender equality, the Issuer promotes inclusion and gender equality within the whole corporate organization, as set out in its Code of Conduct, and does not consider it necessary to adopt *ad hoc* procedures for formalizing its commitment.

- **Alignment of variable remuneration component with strategic objectives and achievement of sustainable success**: The Issuer grants long-term incentive plans to its executive directors and other strategic executives, with the aim of aligning remuneration with long-term performance and with shareholders' and stakeholders' interests. The Issuer's remuneration policy to be submitted to the Shareholder's meeting called to approve the annual report at December 31, 2021 provides for assigning an ESG qualitative objective to the Chief Executive Officer. Further information is provided in the report on the remuneration policy of the Board of Directors, General Managers and Executives with Strategic Responsibilities, and fees paid, pursuant to art. 123-*ter* of the TUF.

TABLE 1: INFORMATION ON OWNERSHIP STRUCTURE AT THE DATE OF THIS REPORT

SHARE CAPITAL STRUCTURE					
	Number of shares	***% on the share capital***	***Number of voting rights*****	***Listed***	***Rights and obligations***
Ordinary share (par value 1 € each)	55,948,257*	100%	88,447,003	Euronext Milan	Rights and obligations are those provided in arts. 2346 et seq. of the Civil Code. Specifically, each share gives right to one vote, without prejudice to the shares that accrued increased voting rights, pursuant to art. 9-*bis* of the By-Laws

* The figure refers to the total amount of shares subscribed. No. 1,192,000 treasury shares held in the company's portfolio; number of treasury shares was equal to 1,202,000 at 12.31.2021.
** The amount of voting rights was equal to 83,917,681 at 12.31.2020

OTHER FINANCIAL INSTRUMENTS (conferring the right to subscribe new share issue)				
	Listed	***No. of instruments outstanding***	***Type of shares at the service of the conversion/exercise***	***No. of shares at the service of the conversion/exercise***
Convertible bonds – "€ 500 Million Senior Unsecured Equity – Linked	*Vienna MTF – Wiener Börse*	5,000	Ordinary shares (par value 1 E each)	2,370,411*

Bonds Due 2028”				

* Deriving from capital increase resolved to service the conversion of the Convertible Bond by the Shareholders’ Meeting of October 4, 2021.

<table>
<tr><th colspan="6">SIGNIFICANT EQUITY INTEREST</th></tr>
<tr><th>Reporting party</th><th>Direct shareholders</th><th>Number of shares</th><th>% on the share capital</th><th>Number of voting rights**</th><th>% of voting rights</th></tr>
<tr><td rowspan="2">Finde SS</td><td>IP Investimenti e Partecipazioni S.r.l.</td><td>24,593,454</td><td rowspan="2">44.976</td><td>49,186,908</td><td rowspan="2">56.901</td></tr>
<tr><td>Finde S.p.A.</td><td>570,000</td><td>1,140,000</td></tr>
<tr><td rowspan="3">Rosa Carlo</td><td>Sarago S.r.l.</td><td>2,402,532</td><td rowspan="3">8.363</td><td>4,805,064</td><td rowspan="3">10.524</td></tr>
<tr><td>Sarago 1 S.r.l.</td><td>2,226,682</td><td>4,453,364</td></tr>
<tr><td>Rosa Carlo</td><td>50,000</td><td>50,000</td></tr>
<tr><td rowspan="2">Even Chen Menachem</td><td>MC S.r.l.</td><td>2,300,000</td><td rowspan="2">4.200</td><td>4,600,000</td><td rowspan="2">5.257</td></tr>
<tr><td>Even Chen Menachem</td><td>50,000</td><td>50,000</td></tr>
<tr><td>T. Rowe Price Associates, Inc.</td><td>T. Rowe Price Associates, Inc.</td><td>1,696,073</td><td>3.031</td><td>1,696,073</td><td>1.918</td></tr>
</table>

TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AT THE DATE OF THIS REPORT

Structure of the Board of Directors

Board of Directors													
Post	**Members**	**Year of birth**	**Date of first appointment (*)**	**In office since**	**In office until**	**List (filed by) (**)**	**List (***)**	**Exec.**	**Non exec.**	**Indep. code**	**Indep. TUF**	**Number of other offices held (****)**	**Equity interest (*****)**
Chairman	Gustavo Denegri	1937	3.26.2007	4.24.2019	Approval of Fin. Stat. at 12.31.2021	Shareholders	M		X			0	9/9
Deputy Chairman and Director	Michele Denegri	1969	3.26.2007	4.24.2019	Approval of Fin. Stat. at 12.31.2021	Shareholders	M		X			0	8/9
CEO •	Carlo Rosa	1966	3.26.2007	4.24.2019	Approval of Fin. Stat. at 12.31.2021	Shareholders	M	X				0	9/9
Director ○	Giuseppe Alessandria	1942	3.26.2007	4.24.2019	Approval of Fin. Stat. at 12.31.2021	Shareholders	M			X	X	0	9/9
Director	Stefano Altara	1967	4.23.2014	4.24.2019	Approval of Fin. Stat. at 12.31.2021	Shareholders	M		X			0	9/9
Director	Fiorella Altruda	1952	12.19.2016	4.24.2019	Approval of Fin. Stat. at 12.31.2021	Shareholders	M			X	X	0	9/9
Director	Giancarlo Boschetti	1939	4.28.2016	4.24.2019	Approval of Fin. Stat. at 12.31.2021	Shareholders	M		X			0	9/9
Director	Elisa Corghi	1972	4.24.2019	4.24.2019	Approval of Fin. Stat. at 12.31.2021	Shareholders	m			X	X	3	9/9
Director	Chen Menachem Even	1963	3.26.2007	4.24.2019	Approval of Fin. Stat. at 12.31.2021	Shareholders	M	X				0	9/9
Director	Luca Melindo	1970	4.24.2019	4.24.2019	Approval of Fin. Stat. at 12.31.2021	Shareholders	M		X			0	9/9
Director	Franco Moscetti	1951	3.26.2007	4.24.2019	Approval of Fin. Stat. at 12.31.2021	Shareholders	M			X	X	6	9/9
Director	Francesca Pasinelli	1960	4.28.2016	4.24.2019	Approval of Fin. Stat. at 12.31.2021	Shareholders	M			X	X	6	9/9
Director	Roberta Somati	1969	4.22.2013	4.24.2019	Approval of Fin. Stat. at 12.31.2021	Shareholders	M			X	X	0	9/9
Director	Monica Tardivo	1970	4.28.2016	4.24.2019	Approval of Fin. Stat. at 12.31.2021	Shareholders	M			X	X	1	9/9
Director	Tullia Todros	1948	4.28.2016	4.24.2019	Approval of Fin. Stat. at 12.31.2021	Shareholders	M			X	X	0	9/9
Number of meetings held at December 31, 2021					9								
Average length of meetings					2 hours								
Quorum required to file minority slates (pursuant to art. 147-*ter* TUF)					1%								

NOTES
• This symbol indicates the Director in charge of the internal control and risks management.
○ This symbol indicates the Lead Independent Director (LID).
(*) Date of first appointment of each Director means the date when the Director has been appointed for the very first time in the Board of Directors of the Issuer.
(**) This column indicates whether the list from which each Director comes has been presented by Shareholders (indicating “Shareholders”) or by the Board of Directors (indicating “Board of Directors”).
(***) This column indicates the list from which each Director comes “(“M”: majority list; “m”: minority list);
(****) This column indicates the number of posts held as Director or Statutory Auditors in other listed or large companies. In the Corporate Governance Report posts are listed in detail.
(*****) This column indicates the number of the Board of Directors meetings attended by each director (show the number of meetings the director attended compared with the overall number of meeting the director could have attended i.e., 6/8 and 8/8 etc.).

TABLE 3: STRUCTURE OF THE BOARD COMMITTEES AS AT THE YEAR-END DATE

Board of Directors		Control, Risks and Sustainability Committee		Compensation and Nominating Committee		Committee for Related-Party Transactions	
Post/position	**Members**	(*)	(**)	(*)	(**)	(*)	(**)
Deputy Chairman	Denegri Michele			4/4	M		
Non-executive Director independent from the TUF and from the Code	Alessandria Giuseppe			4/4	P	2/2	M
Non-executive and non-independent Director	Boschetti Giancarlo	3/3	M				
Non-executive Director independent from the TUF and from the Code	Corghi Elisa			4/4	M		
Non-executive Director independent from the TUF and from the Code	Moscetti Franco	3/3	P			2/2	P
Non-executive Director independent from the TUF and from the Code	Somati Roberta	3/3	M			2/2	M
No. of meetings held in the year		3		4		2	
Average length of the meetings		1 hour and 15 minutes		1 hour		30 minutes	

NOTES

(*) This column shows the number of committees' meetings attended by each director (show the number of meetings the director attended compared with the overall number of meetings the director could have attended i.e., 6/8 and 8/8 etc.).
(**) This column shows the post the Director holds inside the Committee: "C": Chairman; "M": member.

TABLE 4: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

Structure of the Board of Statutory Auditors

Board of Statutory Auditors									
Post held	**Members**	**Year of birth**	**Date of first appointment ***	**In office since**	**In office until**	**List ****	**Indep. Code**	**Attendance at the Board of Statutory Auditors' meeting (***)**	**Number of other posts (****)**
Chairman	Monica Mannino	1969	4.28.2016	4.24.2019	Approval of Fin. Stat. at 12.31.2021	m	X	14/14	7
Statutory Auditors	Ottavia Alfano	1971	4.22.2013	4.24.2019	Approval of Fin. Stat. at 12.31.2021	M	X	14/14	23
Statutory Auditors	Matteo Michele Sutera	1981	4.24.2019	4.24.2019	Approval of Fin. Stat. at 12.31.2021	M	X	14/14	19
Statutory Alternate	Romina Guglielmetti	1973	4.24.2019	4.24.2019	Approval of Fin. Stat. at 12.31.2021	M	X	-	7
Statutory Alternate	Cristian Tundo	1972	4.24.2019	4.24.2019	Approval of Fin. Stat. at 12.31.2021	m	X	-	14

Statutory Auditors who resigned in the year: none

Number of meetings held in 2021: 14

Average length of meetings: 2 hours and 30 minutes

Indicate minimum quorum required for the presentation of lists at the last appointment of the Board: **1%**

NOTES

(*) The date of first appointment indicates the date when the Statutory Auditor has been appointed for the very first time in the Issuer's Board of Statutory Auditors.

(**) This column indicates the list from which each statutory auditor comes ("M": majority list; "m": minority list).

(***) This column indicates the number of the Board of Statutory Auditors' meeting attended by each member (show the number of meetings the statutory auditors attended compared with the overall number of meeting the statutory auditor could have attended; i.e., 6/8 and 8/8 etc.)

(****) This column indicates the number of posts held in other companies deemed relevant pursuant to Art. 148-bis TUF and the implementation of the Consob Issuer's Regulation. A complete list of posts held is published on the Consob's website pursuant to Art. 144-quinquiesdecies of Consob Issuers' Regulation.

TABLE OF THE POST HELD BY THE BOARD OF DIRECTORS

(Including posts held at other companies, including listed companies, or banking, financial, insurance companies or companies of a significant size)

POST HELD AT DIASORIN	MEMBERS	POST HELD IN OTHER COMPANIES
Chairman	Gustavo Denegri	-
Vice-Chairman e Director	Michele Denegri	-
Chief Executive Officer	Carlo Rosa	-
Director	Giuseppe Alessandria	-
Director	Stefano Altara	-
Director	Fiorella Altruda	-
Director	Giancarlo Boschetti	-
Director	Elisa Corghi	BasicNet S.p.A. (Director) Nexi S.p.A. (Director) Tinexta S.p.A. (Director)
Director	Chen Menachem Even	-
Director	Luca Melindo	-
Director	Franco Moscetti	ASTM S.p.A. (Vice Chairman) Clessidra Capital SGR S.p.A. (Director) Fideuram SGR S.p.A. (Vice Chairman) OVS S.p.A. (Chairman) Pellegrini S.p.A. (Director) Zignago Vetro S.p.A. (Director)
Director	Francesca Pasinelli	Anima Alternative SGR (Director) Anima Holding S.p.A. (Director) Anima SGR (Director) Bormioli Pharma S.p.A. (Director) CIR Compagnie Industriali Amiche S.p.A (Director) Dompè Farmaceutivi S.p.A. (Director)
Director	Roberta Somati	-
Director	Monica Tardivo	Banca del Piemonte S.p.A. (Independent Director)
Director	Tullia Todros	-

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TABLE OF THE POSTS HELD BY THE BOARD OF STATUTORY AUDITORS

((including posts held at other companies, including listed companies, or banking, financial, insurance companies or companies of a significant size)

POST HELD AT DIASORIN	MEMBERS	POST HELD IN OTHER COMPANIES
Chairman	Monica Mannino	Corvallis S.r.l. (Chairman of the Board of Statutory Auditors) ERAMET ALLOYS Italia S.r.l. (Chairman of the Board of Statutory Auditors) FBS Next S.p.A. (Statutory Auditor) Fiera Milano S.p.a. (Chairman of the Board of Statutory Auditors) Luxmaster S.p.A. (Statutory Auditors) Tinexta Cyber S.p.A. (Chairman of the Board of Statutory Auditors) TINEXTA S.p.A. (Statutory Auditors) Istituto Stomatologico Italiano Cooperativa Sociale – Onlus (Statutory Auditor) Società per l'impiano e l'esercizio dei mercati annonari all'ingrosso di Milano So.Ge.Mi. S.p.A. (Alternate) Cricross Communications (Italy) S.r.l. (Alternate) Willis Italia S.p.A. (Alternate) D-Flight S.p.A. (Alternate)
Statutory Auditor	Ottavia Alfano	B4IFund SIS S.p.A. with a fixed capital (Alternate) Bonafous S.p.A. in liquidation (Alternate) Cashfin S.p.A. (Chairman of the Board of Statutory Auditors) Cleanbnb S.p.A. (Statutory Auditor) Cypress Holdings S.r.l. (Statutory Auditor) Evoca S.p.A. (Chairman of the Board of Statutory Auditors) Evolvere S.p.A. Società Benefit Genextra S.p.A. (Statutory Auditor) Illimity SGR S.p.A. (Statutory Auditor) Italian renewable Resources S.p.A. (Chairman of the Board of Statutory Auditors) L&B Capital S.p.A. (Chairman of the Board of Statutory Auditors) La Doria S.p.A. (Statutory Auditor) Lynx S.p.A. (Statutory Auditor) Neprix S.r.l. (Alternate) Nuova Energia Holding S.r.l. (Chairman of the Board of Statutory Auditors) Pier Luigi Loro Piana S.a.p.a. (Statutory Auditor) Reale Compagnia Italia S.r.l. (Chairman of the Board of Statutory Auditors) Residenza Immobiliare 2004 S.p.A. (Alternate) Saga Coffee S.p.A. (Chairman of the Board of Statutory Auditors) Sarago S.r.l. (Statutory Auditor) VEI S.r.l. (Statutory Auditor) VND S.p.A. (Statutory Auditor) Vodafone Gestioni S.p.A (Chairman of the Board of Statutory Auditors)
Statutory Auditor	Matteo Michele Sutera	Arno S.p.A. (Alternate) Assietta S.p.A. (Chairman of the Board of Statutory Auditors) Beingpharma S.p.A. (Director) Bioearth International S.r.l. (Director) Bribri S.p.A. (Statutory Auditor) Corporate Value S.p.A. (Statutory Auditor) E.P. Preziosi Participations S.p.A. (Statutory Auditor) Exilles S.p.A. (Chairman of the Board of Statutory Auditors) Gerola Energia S.r.l. (Sole Auditor) I.M.S. Industria Materiali Stampati S.p.A. (Auditors) MMB Costruzioni Meccaniche S.r.l. (Alternate) Natural Way Laboratories S.r.l. (Director) Naturalia Tantum S.p.A. (Director) OdeXa S.p.A. (Chairman of the Board of Statutory Auditors) Panakes Partners SGR S.p.A. (Statutory Auditor) Preziosi Investments S.p.A. (Statutory Auditor) Technical Plast S.r.l. (Alternate) Togethair S.r.l. (Director) Valbrenta S.p.A. (Chairman of the Board of Directors)

Alternate	Romina Guglielmetti	Autogrill Europe S.p.A. (Alternate) Autogrill Italia S.p.A. (Alternate) Compass Banca S.p.A. (Director) Enel S.p.A. (Statutory Auditor) MBFACTA S.p.A. (Independent Director) Pininfarina S.p.A. (Director) Tod's Group S.p.A. (Director)
Alternate	Cristian Tundo	Ce.P.I.M. S.p.a. (Statutory Auditor) Apell S.p.A. (Alternate) Bonferraro S.p.A. (Statutory Alternate) CHR Hansen Italia S.p.A. (Statutory Auditor) DUC S.p.A. (Statutory Auditor) Everis Italia S.p.A. (Statutory Auditor) F.lli Galloni S.p.A. (Alternate) GPI S.p.A. (Alternate). Immobiliare Oasi nel Parco S.r.l. (Statutory Auditor) Marco Antonetto S.p.A. (Alternate) Rimini Parking Gest S.r.l. (Sole Auditor) SITI B&T Group S.p.A. (Statutory Auditor) Smeg S.p.A. (Alternate) Smeg Servizi S.p.A. (Alternate)

CONSOLIDATED NON-FINANCIAL STATEMENT AT DECEMBER 31, 2021, PURSUANT TO LEGISLATIVE DECREE NO. 254/2016

1. NOTE ON METHODOLOGY

1.1 Objectives of the Non-Financial Statement

This Consolidated Non-Financial Statement (hereinafter referred to as "**Non-Financial Statement**") was prepared by the DiaSorin Group in order to comply with Legislative Decree no. 254 of 30 December 2016, issued in "*implementation of Directive 2014/95/EU of the European Parliament and the Council of 22 October 2014, amending Directive 2013/34/EU as regards non-financial disclosure and information by certain large undertakings and groups*" (hereinafter referred to as "**Legislative Decree 254/16**" or the "**Decree**").

In order to comply with the obligations provided by Articles 3 and 4 of Legislative Decree no. 254/16, the DiaSorin Group presented the main policies adopted by the Group, its management models and the main activities carried out by the Group in 2021 with respect to the topics expressly specified by Legislative Decree no. 254/16 (environmental, social and employee-related matters, respect for human rights, fight against corruption), as well as the main risks identified with those matters. Such matters are described in this Report to the extent necessary to ensure an understanding of the Group's activities, performance, results and impact generated. As from 2021, the Non-Financial Statement also includes disclosure obligations required for FY 2021 by Regulation EU 2020/852 (hereinafter referred to as "EU Taxonomy") and specified in the Disclosures Delegated Act published on July 6, 2021. See paragraph "*2.7 Taxonomy*" for the disclosure of the internal analyses carried out.

1.2 Reporting standards

Legislative Decree no. 254/16 requires companies to provide the aforementioned information "*in accordance with methodologies and principles under the reporting standard used as reference or by the autonomous reporting methodology used for drawing up the non-financial statement*". The DiaSorin Group chose to apply the GRI Standards issued by the "Global Reporting Initiative" as a technical and methodological reference to report the information contained hereto, in compliance with the Decree. The DiaSorin Group selected the Standards useful for reporting the information required, consistently with Section 3 of GRI Standard 101: Foundation (*Making claims related to the use of the GRI Standards*). The following paragraphs present GRI-referenced claims for each Standard used to report data.

Following the issue of a revised version of the GRI 303: Water and effluents 2018, GRI 403: Occupational Health and Safety 2018 and GRI 306: Waste 2020, the DiaSorin Group adjusted its reporting to comply with these updated Standards, whose adoption is effective for reports published from 1 January 2021 with reference to GRI 303 and 403, while GRI 303 will be effective from 1 January 2022.

The *"Correlation Table between Legislative Decree 254/16 and material topics"* annexed to the Non-Financial Statement is intended to provide additional information on the use of each indicator and paragraph and reflects the Group compliance with the requirements set forth in the Decree.

1.3 Reference scope and reporting period

The scope of this Consolidated Statement includes all the companies that fall within the scope of the 2021 Consolidated Financial Statements, as detailed in the Section '*General information and scope of consolidation*" in the notes to the 2021 Consolidated Financial Statements. These companies are consolidated line by line starting from the date when the Group obtains control until control ceases to exist. With reference to data and information on the supply chain management, as described in paragraph "*Quality of products and processes*", it should be noted that such data and information refer to manufacturing companies supplying products/services that have a direct impact on compliance with end product requirements.

In September 2020, the DiaSorin Group announced the extension of the existing joint venture with FuYuan to Shanghai Baoshan District Government, with the aim of opening the Group's first manufacturing and research site in Shanghai – China. At the end of 2021, work was still on-going and about to be completed. This agreement will see its effects in terms of non-financial data starting from the second half of 2022.
In 2021, DiaSorin S.p.A opened a new branch in Bresso (Milan) and it is expected to be completed by the end of 2022.

On July 14, 2021, the DiaSorin Group completed the acquisition of the entire share capital of Luminex Corporation, headquartered in Austin – USA, therefore the company has been included in the reporting area of the 2021 consolidated Non-Financial Statement, starting from its acquisition date (July 14, 2021). The Luminex acquisition required to extend the Company's scope to 5 new manufacturing sites and to additional businesses and services.

In accordance with the provisions of Legislative Decree 254/16, this document provides a comparison with previous year data and adheres to the benchmarking principles required by the GRI Standards. Quantitative data reported in this document cover the 2019-2021 reporting period.

2. COMPANY PROFILE AND RELEVANT TOPICS FOR THE DIASORIN GROUP

2.1 The DiaSorin Group's business

The DiaSorin Group has been active in the laboratory diagnostics market for over 20 years. Starting from July 2021, following the Luminex acquisition, DiaSorin has included the "Licensed Technologies" business in the area of its activities. The new business area includes the production of a technological solution that may be used in combination with platforms that are designed and sold by Luminex, in order to develop tests capable of simultaneously detecting a wide range of elements in the analyzed sample. This technology can be used both in diagnostics and in research and development of drugs and vaccines, among others. A residual component of the "Licensed Technologies" business is represented by the flow cytometry which consists in designing, manufacturing and commercializing cutting-edge instruments. These instruments allow users to analyze single cells in a population both through parameters analysis and through imaging.

Reference should be made to the Business ('The Business') and Strategies ('The Strategy') sections of this Report for a full and detailed description of the Group's business model, mission and structure.

Below is a summary of the process through which the DiaSorin Group produces and distributes its products, divided into 3 phases.

Step 1: Raw Materials and Product Development

Immunodiagnostics	Molecular diagnostics	Licensed Technologies
The Group produces both the end product and, in most cases, all the required components. The product development process involves two phases: "upstream" and "downstream". During the "upstream" phase the desired quantity of bioreagents is produced through fermentation or cell culture techniques. In the "downstream" phase bioreagents are purified to separate proteins or monoclonal antibodies (raw material) from other cellular components of the recipient organism. Usually, this process is carried out through chromatography techniques.	Likewise other producers, DiaSorin purchases and/or develops the components necessary for the end product from external suppliers and in-house. In the case of a purchase from external partners, the components are produced by companies in the Life Sciences sector from whom the Company purchases three essential components to product development: oligonucleotides, enzymes and reaction buffers.	As regards the xMAP Licensed Technologies Group business, which joined the DiaSorin's business scope through the Luminex acquisition, the company develops and produces proprietary microspheres encoded with fluorescent dyes and coated with specific reagents and mixed so as to detect multiple targets in a single sample. In addition to these reagents, DiaSorin develops and produces, through Luminex, platforms and software capable of analyzing bead-based assays, together with calibration, verification and maintenance reagent kits for xMAP instruments.

Step 2: Production

Immunodiagnostics	Molecular diagnostics	Licensed Technologies
The kits are assembled using raw materials, the origin of which can be synthetic or biological (human or animal), to create semi-finished components that will be later combined with other components to produce final reagents, as part of a completed kit. Some initial components, such as buffers and cleaning solutions, can be found in different products and prepared in large batches that will be distributed, at the end of the process, in single kits. Other components (such as	Products are manufactured with the use of a solution containing an exact quantity of raw material (enzymes, primers, buffers,) called reaction mix, which is dispensed into vials as part of kits available for sale. End products are stored in temperature-controlled warehouses and distributed, through specialized logistics operators, to warehouses or local distributors to be finally delivered to end customers.	The xMAP microsphere are produced and made available to licensees of the technology, or partners, who use these microspheres to manufacture their products and kits for various applications, including, but not limited to, transplant and molecular diagnostics, immunodiagnostics and research in the field of life sciences. The platforms used to read test results and developed using xMAP microsphere technology are produced and sold to licensees and distributors for resale. In addition to production

solids, markers, controls and calibrators, etc.) are specifically designed for each single test. Production levels are defined on the basis of batch size of the end product. Each component is subject to the strictest quality control before entering the market. Kit components are assembled in finished kits and subject to quality control, in terms of performance, in accordance with international standards (for example: WHO, CDC etc.), if necessary, or tested vis-à-vis the performance of selected sample batches. End products are stored in temperature-controlled warehouses and distributed, through specialized logistics operators, to warehouses or local distributors to be finally delivered to end customers.		and sales to partners DiaSorin, through Luminex, sells to end users both the microspheres, which are used for the development of custom tests, and a limited number of platforms to support the aforementioned applications. By using the xMAP microspheres, DiaSorin finally produces a limited number of kits featuring niche applications, which are marketed directly to customers.

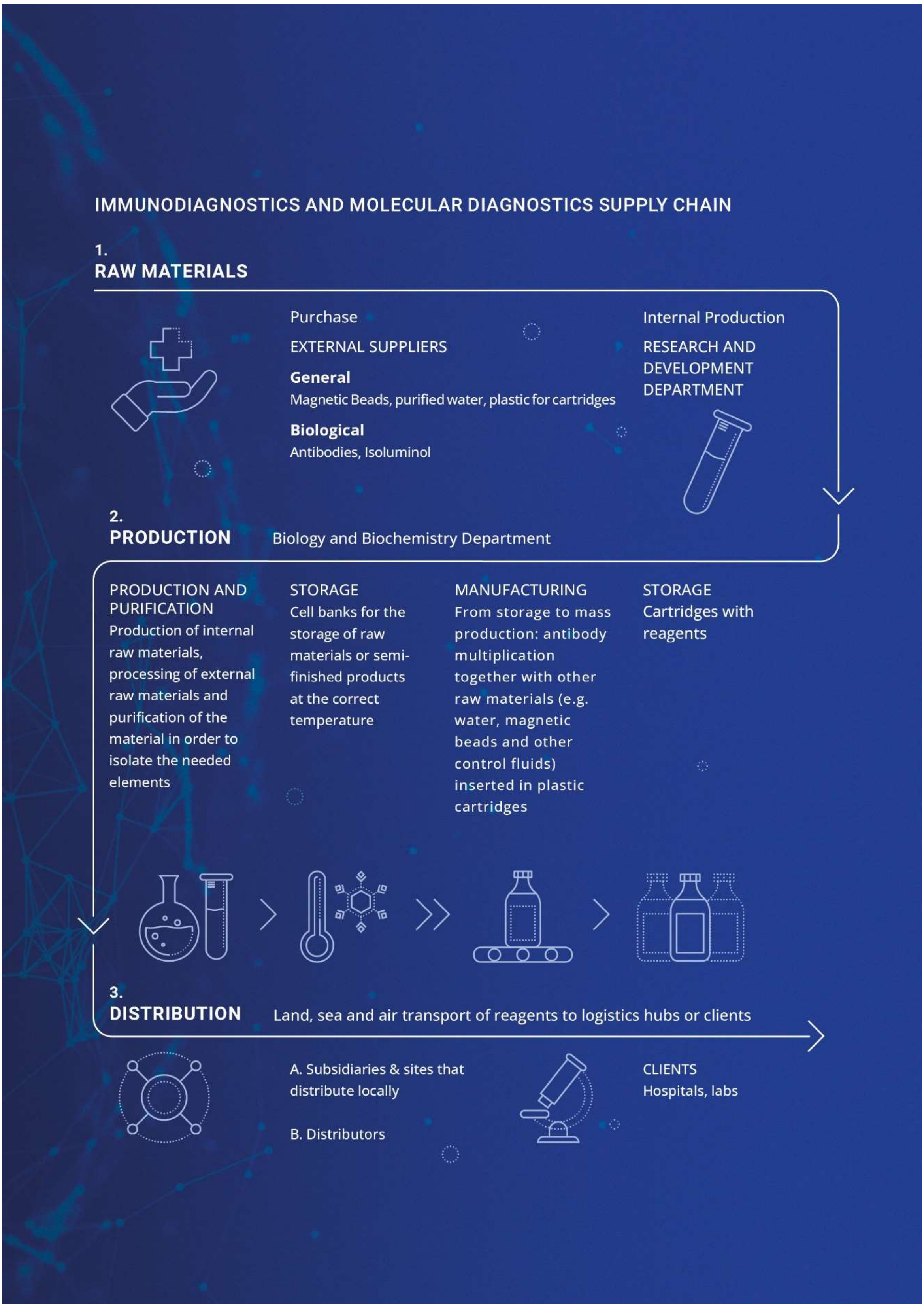
Step 3: Distribution

Typically, direct sales include sales made through:

- Public calls for tenders in countries which rely on public health systems, through open tendering procedures (Italy and France). It should be noted that, during 2020 and 2021, following the spread and continuation of the pandemic emergency, public calls for tenders provided for regulatory exceptions which led, in some cases, to the signing of direct contracts with extraordinary commissioners;
- Supply contracts with private customers defining general supply terms, including costs, minimum quantities and payments terms;
- letters of offer, used for limited sales of reagents that are not combined with analyzers;
- distribution contracts according to which distributors purchase DiaSorin products and resell the concerned product in relevant markets.

In most cases, the DiaSorin Group provides customers with its medical instruments under gratuitous loan contracts on the basis of reagent supply contracts. Pursuant to these loan contracts, DiaSorin provides gratuitous technical assistance. According to this business model, investments on installed instruments and service costs are expected to be offset by sale of reagent kits that will be used on the analyzer platform, which is a closed system (i.e., these instruments work exclusively with DiaSorin reagents and vice versa).

As regards xMAP technology, DiaSorin mainly sells products through global or international partners who resell xMAP instruments, typically in conjunction with specific analysis software, for use with kit products based on xMAP microsphere technology. In addition, DiaSorin sells single beads directly to end users, for use in custom applications, as well as services to support the development of tests, kit products and tools for specific applications.



2.2 The Group's approach to sustainability

The DiaSorin Group's approach to sustainability stems from the business in which the Company operates. Operating in the in vitro diagnostics, in fact, requires a strong focus on compliance with regulations and a low environmental impact for the Group's manufacturing structure. Enthusiasm for science, a rigorous approach to comply with rules, respect for the environment, the need to take care of the entrepreneurial spirit of internal stakeholders, as well as a focus on the communities in which the Group operates have always driven the development of DiaSorin's strategy.

With reference to the environment, DiaSorin's manufacturing activities have a low environmental impact. Over the years, a series of initiatives have been implemented to further reduce consumption and manage water resources and waste in a more conscious manner.

With reference to the focus on employees and the communities in which the Group operates, DiaSorin has undertaken useful initiatives both to ensure constant training of its employees on the most relevant issues for business and security, and to nurture a passion for science in young talents living in the communities where the Group operates.

With reference to Governance, the Company's commitment to transparent management and communication continues to be a pillar of the Group's growth. In addition, DiaSorin's core business requires constant compliance with sector-specific rules and regulations at a national and international level.

2.2.1. Stakeholders of the DiaSorin Group

A description of the internal and external stakeholders with whom the DiaSorin Group interacts is provided below.

DiaSorin engages in direct dialogue with its stakeholders via meetings, forums and business and scientific-related events, via its corporate website, social media channels and other reports. It should be noted that, in 2021, following the pandemic emergency part of the dialogue activities has been conducted remotely or postponed.

With specific reference to the relationship with customers, client satisfaction surveys are carried out through surveys and analyses to ensure clients are satisfied with the products developed.

As a company listed on the Italian stock exchange, dialogue with shareholders has become a topic of increasing interest. The primary objective of the DiaSorin Group is to ensure full access to business information to fully understand the Company.

2.2.2. Relevant topics for the DiaSorin Group

DiaSorin updated its materiality analysis in order to define the scope and structure of the topics presented in its Non-Financial Statement. The objective is to identify the areas where Group's activities and structure have a more significant impact on local communities, external ecosystem, well-being of employees and, generally, on the interests of the Group's internal and external stakeholders. The analysis was carried out in accordance with Legislative Decree 254/16, on the basis of the Group's business, characteristics and evolutions in the reference period along with risks and/or opportunities. In the context of the analysis for the identification of sustainability topics, reference was also made to the Sustainable Development Goals defined in the United Nations 2030 Agenda.

The update of the materiality analysis was divided into two operating phases:

1. updating the list of potentially significant sustainability topics to be submitted for assessment;
2. assessing the relevance of topics.

1. Updating the list of potentially significant sustainability topics: to update the most important topics for the purposes of the Non-Financial Statement, DiaSorin based its analysis on internal information sources, external sources and related regulations.

Corporate documents include, among others, Non-Financial Statements drawn up by the Group in past years, the Group's half-yearly and annual Financial Report, Organizational, Management and Control Model in compliance with Legislative Decree 231/2001, press releases and the Group's Code of Conduct. Through the analysis of the available documentation (website and Code of Compliance) and interviews with heads of department, the Company found it necessary to update its sustainability topics in the light of the acquisition of Luminex Corporation in 2021 by the DiaSorin Group.

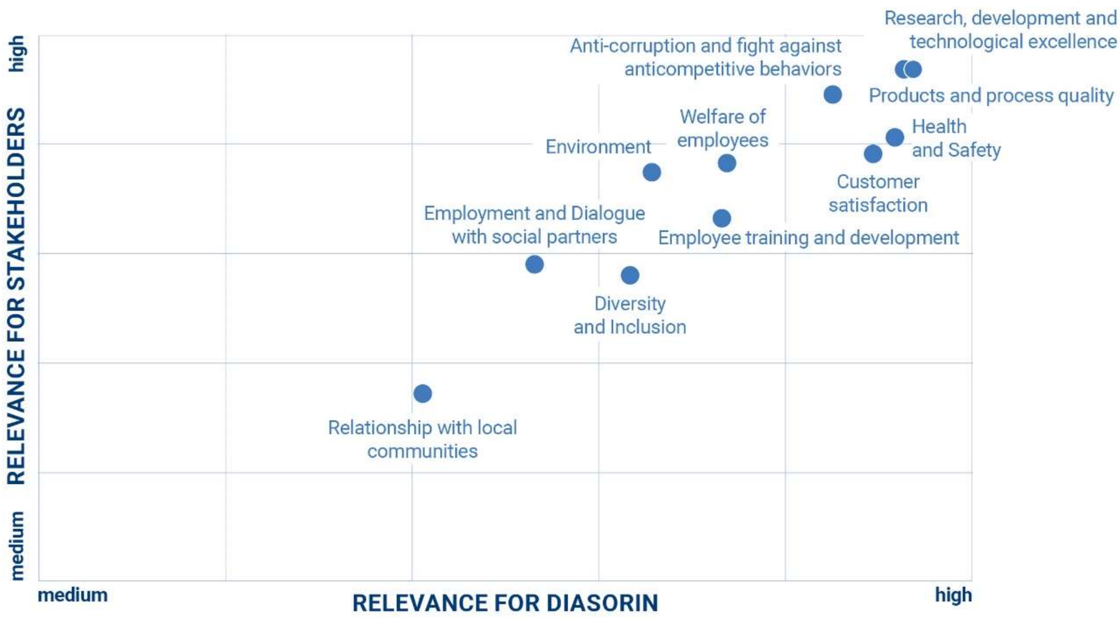
External sources include, among others, documents identifying sustainability macrotrends at a global level (among others, the 2021 Global Risk Report), sector documentary references (including the document "European Union strategic approach to pharmaceuticals in the environment" and the Federchimica Responsible Care Report), DiaSorin's press reviews, benchmarking analyzes against the main competitors, as well as the GRI standards and the topics referred to in Legislative Decree no. 254/16, consistently with the Non-Financial Statement.

2. Assessing the relevance of topics: topics have been assessed through a 1-5 scale, with 1 reflecting lack of interest by company strategies and stakeholders and 5 reflecting utmost interest. The DiaSorin Group carried out its annual materiality analysis update of the relevant topics through an internal stakeholder engagement, meetings with the Heads of Department, at a headquarter level, and the involvement of local managers for some of the main subsidiaries (DiaSorin Inc., DiaSorin Molecular LLC, DiaSorin Ltd – China, Luminex Corporation). Each manager was asked to assign a priority level to the topics that fell within his remit, by assessing their importance from the DiaSorin Group's and key stakeholders' point of view (as described in the relevant paragraph "Identification of risks and opportunities").

Materiality matrix of the DiaSorin Group

The result of the updated analysis is the 2021 materiality matrix of the DiaSorin Group. The materiality matrix is graphically represented using a Cartesian coordinate system which reports the company's interest on the horizontal axis and the stakeholders' interest on the vertical axis. This representation makes it possible to assess the importance (materiality) of each topic on the basis of its position on the two axes.

The Group chose to represent material topics according to a range that goes from medium to high level.



The chart above provides synthetically the result of the updated analysis. Topics that are represented in the matrix are those considered as "material", thus topics that have a significant impact on the Group's economic, social and environmental performance and that may substantially affect the stakeholders' assessments and decisions. Such topics are reported in detail in the Non-Financial Statement.

The materiality matrix in 2021 differs from 2020 due to specific topics distribution. The following provides the main changes:

- <u>Environmental management</u>: the topic has acquired greater importance both from the company's and external stakeholders' point of view, compared to the previous year. Although the DiaSorin Group's activity does not have a high environmental impact, the topic acquired greater importance also due to the evident climate change impacts and global warming, as well as an ever-increasing awareness and sensitivity towards environmental topics. The Group's commitment to environmental management is detailed in the paragraph dedicated to the environment.

- Employee well-being and Employment and dialogue with the social partners: compared to 2020, the two topics acquired greater importance from the external stakeholders' point of view, who consider human resources and retention a key factor for the Company's success. Please refer to the dedicated paragraph of this document for further information about the Group's commitment in this regard.
- Diversity and inclusion: the topic acquired greater importance from the Group's point of view compared to 2020. The topic, whose management procedures and the tools adopted are described in the dedicated paragraph, reflects the increased importance of this topic at a global level, and particularly in the United States.

Finally, it should be noted that, in the light of the analysis that led to the identification of the significant topics to be assessed, the Company decided not to include the “Animal Welfare” topic in this list as it is not considered as strictly material for the Group due to its business model and, more generally, to its reference sector which has low production intensity and with a minimum percentage of raw materials of animal origin. This aspect, however, will continue to be reported in the Non-Financial Statement as it is addressed and supervised by the Group also through the provisions of the Code of Conduct and in compliance with the Legislative Decree no. 254/16 in terms of minimum disclosure requirements.

2.2.3. The Group's material topics and the SDGs of the 2030 Agenda

The 2030 Agenda, presented by the United Nations and adopted by all Member States, aims at ending poverty and hunger and, at the same time, promoting strategies that improve health and education, by stimulating economic growth and reducing inequalities, recognizing gender equity and, at the same time, combating climate change and safeguarding biodiversity.

Therefore, the Agenda provides the guidelines for sustainable development of the planet, identifying 17 goals (also "Sustainable Development Goals" or "SDGs") broken down into 169 specific objectives or targets with over 240 indicators. Achieving these goals requires full cooperation at a global level among all parts of society, from the public sector to business and civil society as a whole. As a first step towards the progressive integration of SDGs in its management and reporting, the DiaSorin Group analyzed in detail the 17 goals and identify those to which it can contribute most with its business activity.

Among these, DiaSorin has identified the following priority SDGs:

DiaSorin has also correlated, where possible, the material topics emerged from the materiality matrix with the SDGs identified, as illustrated in the table below.

MATERIAL TOPICS	Sustainable Development Goals
Employee training and development	4
Employment and Dialogue with social partners	8
Welfare of employees	3, 8
Diversity and Inclusion	8, 10
Health and Safety	3
Environment	12, 13
Relationship with local communities	4, 17
Anti-corruption and fight against anticompetitive behaviors	16
Research, development and technological excellence	3, 9, 17
Customer satisfaction	n/a
Products and process quality	12

2.3 The Group's Code of Conduct

The **Group's Code of Conduct** (hereinafter referred to as the **"Code of Conduct"**) clearly defines the set of values that the DiaSorin Group recognizes, accepts and shares and the set of responsibilities that the Group assumes against all subjects both internally and externally. To this end, all the DiaSorin Group's employees are required to comply with the Code of Conduct to ensure the correct functioning, reliability and reputation of the Group.

The Code of Conduct has been approved by the Board of Directors within each Group company. This document formalizes the DiaSorin Group mission: "*to contribute to improving the health of the population through the marketing of diagnostic tests that permit more effective and aware medical decisions whilst curtailing public spending on health according to the policy issued by the Ministry of Health and equivalent bodies*". This mission is achieved through four main components: innovation and technological excellence; active relationship with the customer; active collaboration with suppliers; constant strengthening of the culture of quality.

Recipients of the Code of Conduct include all company stakeholders, without any exception, and all those who, directly or indirectly, permanently or temporarily, establish relations with DiaSorin S.p.A. and Group companies and operate to pursue their objectives.

A copy of the Code of Conduct is issued to each employee at the moment in which the employment relationship is established.

As defined in Chapter IV of the Code of Conduct, any employee or staff member who believes that a rule or a principle of the Code of Conduct has been violated or will be violated can report these violations to the Supervisory Body (in charge of receiving information from all Group companies) by a dedicated e-mail address provided within the document.

Violation of the provisions of the Code of Conduct constitutes a breach of discipline and disciplinary measures will be applied, in accordance with the provisions of the applicable Collective Bargaining Agreement or of the individual contract.

The Code of Conduct can be consulted at https://diasoringroup.com/it/governance/governance-documents/code-of-conduct-and-model-231

As a result of the acquisition of Luminex Corporation, completed in July 2021, DiaSorin has started an integration project that will involve, among other things, an analysis and harmonization of the respective compliance systems, including Codes of Conduct, in compliance with the organizational autonomy of the subsidiary and the specificities deriving from local legislation.

Luminex has already its own Code of Compliance aimed at promoting high ethical standards in its relations with customers, strategic partners, competitors, employees and public authorities, in accordance with US state and federal legislation, as well as international principles and applicable ISO standards.

2.4 DiaSorin S.p.A. Organization and Management Model

The Organization and Management Model (hereinafter referred to as the "**Model**") of DiaSorin S.p.A. is described in the Report on Corporate Governance and Ownership Structure included in this Report and to which reference is made for further details.

The Model was developed and updated taking into account the provisions of Legislative Decree No. 231/2001 and subsequent amendments, the guidelines provided by relevant trade associations (particularly Confindustria Medical Devices). This document is part of the control system regulated by Corporate Governance rules and Internal Control System and Risks management both at Corporate and Group level.

The Model includes Special Sections reflecting general principles of conduct and specific procedures which the Recipients of the Model must comply with to prevent the commission of presumed offences, including:

- corruption offences against members of the Public Administration (included in the list of crimes in the course of relations with the Public Administration);
- corporate crimes, including corruption between private parties;
- market abuse offences;
- crimes regarding Health and Safety at work;
- environmental crimes;
- receiving of stolen goods, money laundering, utilization of money, goods or other benefits of unlawful origin, self-laundering;
- tax offences.

Although the Organization and Management Model was adopted as a result of domestic regulation, all companies in the DiaSorin Group have been adopting similar principles and constraints in order to provide stakeholders with a safer compliance process globally. This has been done by means of the Code of Conduct, as Group procedure, and other internal protocols adopted by the DiaSorin Group.

In 2021, the Company reviewed the General Part of the Model, strengthening the criteria for appointing the Oversight Body and detailing its functions and powers. DiaSorin redefined and updated the Special Parts of the Model and, in particular, the relative risk mappings, also in relation to additional types of offence introduced as a result of the transposition into Italian law of Directive (EU) 2017/1371 (so-called PIF Directive), integrating the Model with company processes.

Starting from June 30, 2019, the Company has adopted an online platform dedicated to the management of reports of offences or violations relating to the Model and other ethical violations (the so-called whistleblowing), developed in compliance with Legislative Decree 231/2001 and made operational from June 30, 2019 both for the employees of the Parent Company DiaSorin S.p.A. and for other Group companies. In 2021, no reports were received through the whistleblowing platform.

2.5 Governance

The Board of Directors of the Company set up “the Control, Risks and Sustainability Committee", by a resolution dated April 24, 2019. In addition to perform tasks related to the system of internal control and risks management, the Committee supervises sustainability issues.

In particular, the Control, Risks and Sustainability Committee has the task to monitor sustainability issues, review and assess sustainability matters relating to corporate business activities and to its interactions with the stakeholders.

In performing the abovementioned task, the Committee is responsible for supervising sustainability initiatives of DiaSorin S.p.A. and of the DiaSorin Group’s companies, as well as examining and assessing the system of data collection and consolidation for the Consolidated Non-Financial Statement (pursuant to Legislative Decree 254/2016) and expressing its opinion to the Board of Directors called to approve this document. In addition, the Committee has the task of expressing, at the request of the Board of Directors, opinions on any sustainability issues.

The Board of Directors of December 16, 2021 resolved to assign the Control, Risk and Sustainability Committee the task of supporting the Board of Directors in the examination and approval of the Company's and the Group's business plan, also on the basis of the analysis of the topics relevant to the long-term value generation.

2.6 Tax management

As regards the management of tax matters, the Group undertakes to comply with domestic regulations in the various countries where the Group is present and operates, and to continue its collaborative and transparent relations with tax authorities.

In order to meet the interests of its Stakeholders the Group, even though it has not yet implemented a tax strategy, pursues an approach that is fully oriented to the utmost responsibility towards the management of tax variable, by monitoring its risk through the Corporate Tax Function and other corporate control function. As an individual Group company, the Finance Manager / CFO, with the support of external consultants and the Group Tax Director, is responsible for tax issues.

The Group introduced in its Organizational Model, pursuant to Legislative Decree 231/2001, a new Special Part (called “Special Part H”) which is entirely dedicated to the assessment and mitigation of tax risks, specifically tax offences provided for in Articles 2, 3, 8, 10 and 11 of Legislative Decree 74/2000, as referred to in Article 25-quinquiesdecies of the Decree, introduced by Law Decree 124/2019, as converted into law with amendments by Law 157/2019.

Reporting mechanism for tax concerns are the same as those adopted by the Group for non-ethical or unlawful conduct, as described in Section “2.4 DiaSorin S.p.A. Organizational and Management Model” of this Report.

DiaSorin aims at maintaining collaborative and transparent relations with tax authorities in the countries where the Group operates, and it is committed to reply to any request received with the utmost transparency and in a timely manner.

In 2021, the Group’s income taxes amounted to € 118,096 thousand, with a 20.9% tax rate. 51.9% of total income taxes was paid in Italy while the remaining part was paid in countries where the Group operates.

Acknowledging the importance of the topic, the Group implemented a structured process to report the quantitative indicators required by the GRI 207-4 Standard. Please refer to the table at the bottom of the Non-Financial Report for the relevant information referring to the 2020 financial year.

2.7 Taxonomy

Over the years, the DiaSorin Group has shown its stakeholders a constant commitment to sustainable development, in particular through the drafting of sustainability reports (prepared on a voluntary basis starting from 2014) and, later, through the Non-Financial Statement, in accordance with Legislative Decree 254/2016.

Starting from 2022 and with reference to 2021 non-financial disclosure, some companies – including the DiaSorin Group – fall under the new disclosure obligations defined by Art. 8 of Reg. EU 2020/852, the so-called "EU Taxonomy", or "European Taxonomy".

The European Taxonomy is a classification system for economic activities and is aimed at determining which business activities are environmentally sustainable and, thus, ensuring greater reliability, coherence and comparability among sustainable economic activities to support investors and comply with the European Green Deal.

The Regulation – which defines six environmental and climate objectives – was followed, during 2021, by the publication of the first delegated acts relating to the first two objectives - climate change mitigation and climate change adaptation - containing the technical screening criteria that allow the identification of "eligible/aligned" activities pursuant to the EU Taxonomy.

In the first year of application of the Regulation non-financial companies, including DiaSorin, are therefore required to provide a simplified disclosure showing compliant share of turnover (Turnover), capital expenditure (CapEx) and operating expenses (OpEx) related to business activities included among those currently described in the Taxonomy, with reference to the first two objectives. In the next publications, the Group's analysis will be extended to the other objectives on the basis of the indications made available by the European Commission.

The DiaSorin Group has therefore worked to carry out an analysis of its activities with the aim of understanding which of these could be considered as "Taxonomy eligible", or included among the activities described in the annexes (Annexes I and II) to the delegated acts of the Regulation, regardless of whether these activities meet the technical screening criteria, do not negatively impact other environmental objectives (DNSH) and comply with minimum safeguard thresholds, as established by the delegated acts (the verification of the actual "alignment" with the requirements of the Taxonomy is expected from next year).

In 2021, the analysis process was carried out through interviews with the corporate departments that are most directly involved in the sustainability of the Group's activities, and through the analysis of business activities and the classification of economic activities according to NACE codes. Further information is provided in the checklist annexed to this document.

Following the abovementioned analysis, the activities carried out by the DiaSorin Group do not fall within those covered by the Climate Delegated Act and therefore are not eligible under the EU Taxonomy.

Based on the above, with reference to the disclosure of the indicators defined by the Regulation, the assessment of eligibility under the Taxonomy is focused on economic activities defined as the supply of goods and services, in one or more markets, which generates revenues. In this context, as the company's activities fall within the scope of diagnostics, we define research, manufacturing and sale of diagnostic products as DiaSorin's core business. Conversely, construction or purchase of plants and equipment, as well as the transport of our products, are considered ancillary or support activities, necessary for our main activity and therefore are not reported as eligible in the Taxonomy and are not included in the turnover indicators since they do not generate Turnover for the Group.

As far as the required indicators are concerned, as mentioned above, Turnover, capital expenditure (CapEx) and operating expenses (OpEx) are reported. Revenues are not considered eligible for the Taxonomy since the DiaSorin Group's activities do not currently fall within the scope defined by the Climate Delegate Act. Consequently, capital expenditure (CapEx) and operating expenses (OpEx) related to these activities are also considered ineligible. In any case, the analyses carried out show that the CapEx and OpEx indicators would not currently be material for taxonomy purposes.

3. IDENTIFICATION OF RISKS AND OPPORTUNITIES

This section describes the main risks and, in some cases, the opportunities deriving from the DiaSorin Group's activities, business relations and products.

Risks identified below, if not properly addressed and managed, may have a negative impact both the on stakeholders (i.e., negative impact on patients due to poor quality of products, etc.), as referred to in paragraph "Stakeholders of the DiaSorin Group", and on the DiaSorin Group (i.e., impact on the company's reputation, economic sanctions due to non-compliance with regulations, threat to business continuity, etc.).

Risks, if properly managed, may represent an important opportunity both for the stakeholders (i.e., increased well-being at work, increased safety at work etc.) and for the Group (i.e. reduced costs from a more efficient energy consumption, etc.).

3.1 Topics relating to fight against corruption and anti-competitive behavior

The main risk in relation to fight against corruption and anti-competitive behavior concerns the potential **occurrence of active corruption events** associated with the DiaSorin Group employees, within the relations with public and private subjects, and more generally, potential occurrence of episodes and behaviors that prevent, limit or distort a fair competition on the market.

The main risks involve DiaSorin Group's relations with the following parties, including but not limited to:

- Public authorities /bodies, upon:

  - ✓ Participation in tenders and commercial relationships with public health facilities;
  - ✓ Access to and reporting of funding/grants/loans, visits and inspections;
  - ✓ obtaining authorization for specific material supplies.

- Professionals and both public and private Organizations in the health sector, upon:
  - ✓ Definition of arrangements/ consultancy agreements;
  - ✓ corporate events or events organized by third parties;
  - ✓ research activities and training contributions to support medical-scientific education;
  - ✓ activities aimed at illustrating the characteristics of samples and products.

- Credit institutions, for example when participating in procedures for obtaining grants/contributions/loans;

- Private certification bodies, during the inspection aimed at obtaining certifications;

- Companies and private parties, in general, during purchase and sale processes.

3.2 Quality of products and processes

The main risk identified by the DiaSorin Group regarding ‘Quality of products and processes” is linked to the **non-compliance with laws and regulations** applicable to products sold in different markets and which can result in potential sanctions or legal proceedings, as well as in loss of competitiveness due to non-adjustment or slower adjustment to new provisions.

The Group operates in full compliance with laws and regulations in different fields through dedicated and qualified employees. The Group’s Code of Conduct states: “*DiaSorin and Group companies, and for these all staff members, recognize as binding the absolute respect of laws, codes, regulations, national and international guidelines and all general accepted practices based on fairness and honesty in each country where the Group carries out its business activity in observance of these principles*”.

Activities aimed at ensuring compliance with legislation and regulations are undertaken in line with international best practices and are constantly examined through inspections conducted by commercial partners, authorities or certification bodies, as well as in the light of any acquisition.

The main risk identified in the supply chain management is linked to **non-compliance of purchased products or services** with the Group’s **quality requirements** and **local regulatory requirements.**

The “critical” purchases for the core business, products or services with a direct impact on compliance with end product requirements are carried out through the Company’s manufacturing facilities. The Group companies purchase their products from consolidated multinational companies located in countries that do not pose a high risk concerning social topics, employees, protection of human rights and fight against corruption issues.

A further material topic is represented by the **supply risk**, or the momentary unavailability of raw materials necessary for production, caused by the increase in market variability, the emergence of unforeseen emergency situations, the introduction of new regulations and the increased stakeholders' awareness about specific topics. The occurrence of a risk of this sort could cause the failure to respond to the customers' needs in due time with consequent repercussions in economic and reputational terms.

3.3 Customer satisfaction

The main risk identified by the Group in relation to "**Customer Satisfaction**" concerns a **lack of attention to consumer's needs**. Dialogue with customers takes place through various channels, such as customer satisfaction surveys or daily interaction activities. A lack of attention could lead to the risk of not identifying emerging trends in the market or potential aspects for improvement. A lack of analysis or sharing of customer complaints at Group level could compromise the timely implementation of corrective and or preventive actions for their resolution.

3.4 Topics relating to research, innovation and technological excellence

A key factor in DiaSorin success is the company's ongoing commitment to identify and select new products to expand the menu provided to customers. In order to constantly support DiaSorin leadership in identifying and launching successful and cutting-edge products, the Group further strengthened its **Corporate Innovation Process**.

The Innovation Process, which has been fully implemented in 2019 and is currently under adoption and integration by the newly acquired Luminex Corporation, ensures the structured involvement of any new ideas concerning kits and instruments, so as to ensure the **maintenance of innovation excellence even in new clinical areas (Innovation domains) and in cases of extraordinary needs and specific opportunities.**

The current Corporate Innovation Process makes it possible to carry out some key analyses before the development phase of the product, **thereby allowing a prior assessment of any risks and opportunities concerning the investments through threshold criteria and development times**.

3.5 Employee-related topics

3.5.1. Occupational Health and Safety

The DiaSorin Group identified the following main risks in relation to "Occupational Health and Safety":

- **Occupational diseases** due to over-exposition to chemicals and/or biohazardous materials.
- **Injuries** involving employees due to an inappropriate training on risks related to duties, procedures, and use of personal protective equipment.

The DiaSorin Group has always been committed to increase a culture of occupational safety in order to avoid risks to employees' health and safety

3.5.2. Focus on workers

With reference to the risks identified in relation to an accurate management of workers, the Group identified some specific risk areas:

- **Selection of core competencies:** failure to identify core competencies on the market that are in line with the company values and culture would undermine the generation of long-term value and would increase the turnover rate;
- **Turnover of highly skilled and specialized employees:** lack of attention to turnover rate would compromise employee retention in terms of know-how and key competences.
- **Employee training and development**: given the highly technical-scientific profile of DiaSorin employees, the lack of interventions aimed at maintaining and updating knowledge would have particularly significant impacts. This aspect is even more evident considering the nature of the Group's business and reference sector, which is focused on knowledge and characterized by continuous evolution. With reference to this risk, the Group has developed a structured path for employee training and development starting from their first day in the Company.

3.5.3. Well-being of employees and dialogue with social partners

As regards "Well-being of employees" it should be noted that **lack of attention to employees' needs** would negatively impact staff motivation and satisfaction, affecting the workplace and the sense of belonging to the Company/Group;

Maintaining a constructive and continuous **dialogue** represents for DiaSorin an opportunity to interact with its employees and with social partners. This allows to build a constructive relationship based on mutual respect and trust. The Company has been actively engaged in addressing this topic through programs aimed at involving people and strengthening their sense of belonging to the Group.

3.5.4. Diversity and inclusion

Diversity and inclusion do not entail any specific risk to the DiaSorin Group. The Company identifies a correct and careful management of this aspect in the Group's Legal Entities, through the integration and enhancement of diversity - an opportunity to create a **work environment** that fosters **creativity** and **dialogue**. The cultural integration between DiaSorin and Luminex, in addition to the evolutions of the last years, help Group's people diversify and enrich their skills, acting according to Guiding Values. Against this backdrop, diversity and inclusion, which represent a critical excellence and innovation driver, are translated into heterogeneous work groups (by culture, gender, religion, etc., but also by generation, seniority) and in a new and more complete mix of skills. Dialogue and joint work bring innovative solutions and opportunities contributing to the realization of the corporate mission: to improve the health and life of people in the world through high-quality, fast and reliable diagnostic tests.

3.6 Social topics and respect for human rights

3.6.1 Relations with local communities

Relations with local communities do not entail any specific risks for the DiaSorin Group. Engaging in local communities represents an opportunity: the development of communities in which the Group is present along with training of human capital and the development of individual skills in the different countries where the Group operates may contribute to create and maintain a favorable environment for business and innovation. Supporting local communities is, thus, a sustainable investment for DiaSorin's long-term business view.

3.6.2 Respect for human rights

Risks related to "**Respect for human rights**" are not deemed to be relevant to the DiaSorin Group, in relation to both company's employees and external staff.

From the company's point of view, the Group business requires high skilled in-house workforce for all activities. This results in a low risk of exploitation and violation of human rights, together with the need to implement all the necessary actions to retain employees in the Company in consideration of their training, experience and know-how.

With reference to the supply chain, the main purchases of the DiaSorin Group are made from consolidated multinational companies that are located in areas that do not present a high risk with respect to this topic.

The Group pays great attention to respect for human rights both in the management of relationships with Group's employees and external staff and in the management of the supply chain, in compliance with principles and values set out in the Group's Code of Conduct. The Group is committed to respecting human rights in compliance with Conventions of the ILO (International Labor Organization) in countries where the Group operates.

The Group's Code of Conduct contains specific principles concerning this matter. As specified in the Group's Code of Conduct, DiaSorin "*operates within the recommended reference framework of the United Nations Universal Declaration of Human Rights, the fundamental Conventions of the ILO (International Labor Organization), and Confindustria Guidelines and also ethical principles, agreements and guidelines approved by Union representatives concerning fair employment practices, freedom of association, rejection of any form of discrimination, of forced labor, child labor […]*". Principles set out in the Code of Conduct include, among others, "Equality and Equal opportunity" consisting of a set of specific standards of conduct that apply to all Recipients of the Code.

Lastly, in compliance with the provisions of the UK law (section 54 of the UK Modern Slavery Act 2015), in 2020 DiaSorin S.p.A, acting through its UK Branch and DiaSorin Limited, issued the "2019 Modern Slavery Statement", on a voluntary basis, outlining the procedures to operate free from modern slavery in any part of its business and supply chain and to adopt a zero-tolerance approach to these topics.

3.7 Topics relating to environmental management

3.7.1 Waste management

The main risk identified in "Waste management" is linked to **non-compliance** with **waste management** and **disposal regulations**.

Waste management is performed in accordance with all waste legislative requirements

3.7.2. Energy efficiency, emissions and management of water resources

Energy efficiency and the management of water resources do not entail any specific risks to the DiaSorin Group, since the company's core business is not part of an energy intensive sector nor requires relevant water consumption.

However, the Group remains committed to protecting the environment and reducing its environmental impact paying particular **attention to reducing energy consumptions, emissions and water withdrawals**: this represents an opportunity in terms of optimization and cost savings.

4. FIGHT AGAINST CORRUPTION AND ANTI-COMPETITIVE BEHAVIOR

4.1 DiaSorin's commitments and reference principles

In relation to the risks related to "Fight against corruption and anti-competitive behavior", the rules and standards of conduct, which the Directors and employees of all Group Companies, as well as the subjects or Companies acting in the name and on behalf of one or more Group Companies must comply with, are formalized within the **Group Code of Conduct** and Model 231 adopted by the Parent Company.

Aside from rules and Standards of Conduct required to Recipients to avoid active bribery, directly or indirectly, the Code sets out prohibited behavior to avoid passive bribery. Examples are ban on accepting gifts; gratuities or other benefits that may influence the independence of judgement; obtaining or maintaining commercial business; influencing any action or decision of any governmental officer; obtaining unjust advantage or facilitation.

The DiaSorin Group does not tolerate any kind of bribery to public officials, or to any other party connected with public officials, in any form or manner, in any jurisdiction including those jurisdictions where such activity may be current practice or not legally prosecuted. The aforementioned prohibitions are extended not only to direct incentives but also to indirect incentives made in any form including via agents, consultants or other third parties.

On the basis of the above, Recipients of the Code are forbidden to offer commercial giveaway, gifts or other perquisites that may violate laws and regulations or to be in conflict with the Code of Conduct or, if publicly available, damage DiaSorin image. Equally, Recipients shall not exploit their position to demand for, accept, seek or obtain promise of benefits or advantage of any kind.

DiaSorin firmly believes in competition and free market and acknowledges the fundamental importance of a competitive market, where relations with competitors are based on principles of fair competition in full compliance with applicable laws.

As described in the Code of Conduct "*In accordance with fair trade practices, the Group does not knowingly infringe third party intellectual property rights and refrains from deliberately spreading false news and valuations that may discredit rival products and activities*".

In particular, the management model adopted regulates conduct which applies to market abuse offences.

Compliance with above is supervised and monitored by the Supervisory Body who receives reports regarding violations of the Code of Conduct and verifies and assesses that the Disciplinary and Sanctioning System is suitable and effective.

As a member of the sector association EDMA (European Diagnostic Manufacturers Association), associated with MedTech Europe[7], the DiaSorin Group has been adhering for several years to the "MedTech Europe Code of Ethical Business Practice" (hereinafter, "**MedTech Code** "). The Code regulates all aspects of interactions between companies and Healthcare professionals/ organizations, in compliance with the highest ethical standards and with an appropriate level of transparency. DiaSorin has therefore integrated the provisions of the MedTech Code into its Group Code of Conduct, carrying out specific training activities over the time, also in light of the adoption of the dedicated Group procedure (GOP 23.5011 “MedTech provisions”).

4.2 Instruments adopted

Below are the main tools adopted by the DiaSorin Group in order to manage and reduce the risks related to "Fight against corruption and anti-competitive behavior”.

Internal Audit functions and audit activities carried out by the Internal Audit Function

Formal acceptance of the Code of Conduct from Group Companies’ employees is periodically monitored by the Internal Audit Function of the Group. Such audits are included in the Audit Plan. The Internal Audit Function carries out spot checks, on an annual basis, on the Group Companies to assess that new hires adhere to the Code of Conduct principles.

Likewise, gratuities, gifts and benefits are monitored, as part of the Audit Plan, through spot checks on the Group’s Companies, in relation to expenses and first levels employees’ expense reports.

The Audit Reports are communicated to the Risks, Control and Sustainability Committee and the results presented to the Group’s Board of Statutory Auditors and Board of Directors.

Training activities

A further tool used by the Group to reduce the risk of corruption and anti-competitive behavior is represented by training activities provided to employees, with particular reference to specific modules relating to the content of the Group's Code of Conduct, which is provided to new employees during the induction phase, along with regular training activities on topics under Legislative Decree 231/2001 and the Model.

[7] MedTech Europe is the European trade association representing the medical technology industries, from diagnosis to cure

4.3 Results

The following table shows the number of employees involved in communication and training about anti-corruption policies for each reporting year and includes the number of Luminex employees that received similar training:

Employees involved in communication and training about anti-corruption	2019	2020	2021
Executives	24	45	67
White collars	488	649	912
Blue collars	45	123	195
Total number of employees	**557**	**817**	**1,174**

Disclosure 205-2 Communication and training about anti-corruption policies and procedures of GRI Standard 205: Anti-corruption

In 2021, training activities have been provided remotely as well as in 2020, due to restrictions imposed by the pandemic.

In 2021, no case of corruption has been reported.

5. QUALITY OF PRODUCTS AND PROCESSES.

5.1 DiaSorin's commitments and reference principles

In order to provide a structured management of all aspects related to quality of products, including the supply chain management, DiaSorin's manufacturing facilities adopt a Quality Management System in compliance with European Directive IVD MD 98/79 EC, and UNI EN ISO 9001:2015 standards (Quality Management System Requirements), and UNI EN ISO 13485:2016 (Medical Devices. Quality Management Systems. Requirements for Regulatory Purposes) - in compliance with the US Code of Federal Regulation ("21CFR Part 820" Food and Drug Administration) - and in accordance with local regulations applicable to markets where DiaSorin Group's products are registered and distributed.

The Group is endeavoring to make its products compliant with the European Regulation 2017/746 on in Vitro Diagnostic Medical Devices (IVD-R) that is the Regulation for placing on the market, making available and putting into service in vitro diagnostic medical devices on the European market.

The IVD-R Regulation will be applicable starting from May 2022, and replaces the previous EU Directive 98/79/EC. The European Commission approved the extension of the transition period in compliance with the Regulation, the publication of which in the European Unition official journal will be available soon; the deadline will be on May 26, 2027.

Due to the United Kingdom's exit from EU, DiaSorin is required to adjust certain procedures and processes, in due time, to the different Regulations adopted in the UK, where the Group actively operates.

Where possible, DiaSorin S.p.A. and Group companies undertake to consult associations that protect consumers' rights in relation to projects having a major impact on customers. Behavior standards adopted by DiaSorin S.p.A. and Group companies in dealing with customers are inspired by safety, assistance, willingness, respect and courtesy with a view to establish relations based on mutual trust, high cooperation and high technical expertise. The primary objective of the Group is to fully satisfy its customers, creating a relationship based on honesty, fairness, efficiency and professionalism in compliance with the obligations of both parties and with the laws and rules contained in the Code of Conduct.

5.2 Instruments adopted

The following provides the main instruments adopted by the DiaSorin Group to manage and mitigate the risks related to "Quality of products and process".

Organizational structure concerning Quality Management

The DiaSorin Group ensures Quality Management through the Quality Assurance and Regulatory Affairs function in each DiaSorin's and Subsidiaries' manufacturing facility, with the support of the Corporate QA&RA&CA Function (Quality, Assurance, Regulatory Assurance and Clinical Affairs). This Function reports directly to the Chief Executive Officer of DiaSorin S.p.A., thus ensuring the independence and authority necessary for the Function to ensure the utmost attention to the adoption of regulatory demands and global Quality principles and their timely implementation. The Corporate organization plays a transversal role both with reference to the production sites and to the commercial branches, ensuring the effective application of the Quality System, and efficiency and effectiveness across the entire DiaSorin Group.

The Corporate QA & RA & CA Function is responsible for:

- ✓ Monitoring new regulations applicable to the IVD MD sector to be reported to sites and subsidiaries;
- ✓ Supporting sites and subsidiaries in implementing new Provisions having an impact at a Group level, managing and supervising specific inter-site projects;
- ✓ Harmonizing Quality Systems rules across all sites and subsidiaries, by providing Group Operating Procedures (GOPs) and ensuring their correct application, at a local level, by sites and subsidiaries;
- ✓ Monitoring compliance with QS requirements within the DiaSorin Group by means of Internal Audits, either announced or unannounced;
- ✓ Monitoring complaints from DiaSorin customers at Group level;
- ✓ Supporting all sites on audit activities carried out by Third-Parties;
- ✓ Monitoring that the results of Third-Party or Corporate audits received by a single site are shared among all sites to enable a cross-assessment and identify QS non-compliance and resolve it promptly, with a harmonized approach;
- ✓ Supporting sites on Medical Oversight and implementing product recall procedures;
- ✓ Supporting sites and the Global Procurement function to monitor DiaSorin suppliers' performance.

Following the acquisition of Luminex Corporation, in mid- 2021, the Company started a first screening phase, followed by the definition of a Harmonization and Integration Plan to extend the application of the Quality System and related policies and procedures also to newly acquired sites. As part of the initial screening, an external consulting firm carried out audits on all sites acquired from Luminex Corporation.

In the second half of 2021 and later in 2022, DiaSorin initiated the integration of quality processes within all Luminex sites, according to Group standards.

It should be noted that as part of the initial screening, audits were carried out on Luminex Corporation sites, entrusted to an external consulting firm.

In addition to the ordinary activities, in 2021 the "Corporate QA&RA" Function conducted specific audit activities remotely on quality and regulatory aspects in all DiaSorin sites, including Luminex sites acquired during the year, in order to verify the adequacy of the quality systems with respect to the new requirements of the 2017/746 IVD-R European Regulation.

In the light of the above, the Corporate QA&RA&CA Function monitored the following projects:

A) **Transposition of recent new regulations**

- between June and July 2021, the Company implemented the project approved in 2020 for an information system that tracks regulatory updates at national and international level in real time; through the information system it is possible to promptly initiate an update process and verify that regulations and internal procedures comply with new rules and, if necessary, to adjust processes at an operational level; the software is therefore in use and provides for regular reviews on a monthly basis;
- in 2021 the Group continued its inter-site project, started in 2017, concerning the alignment to the new European Regulation 2017/746, which replaces the current European Directive IVD MD 98/79 EC (the complete implementation of the project initially planned for 2024 may possibly be adjusted in light of the extension of the transition period which is currently being published by the EU). The adjustment to the new Regulation is in an advanced stage of implementation for all sites; 4 Group sites (3 DiaSorin and 1 Luminex) received and fully passed the audit to verify the adequacy of their QMS (Quality Management System), while for the remaining sites, including sites that have been acquired from Luminex, the audit is expected in the first half of 2022. The first EC IVD-R certificates will be issued by the relevant Notified Body in the first half of 2022. The implementation plan is on track and is aligned with the timing of the Regulation and the subsequent extension of the transition period.
- over the last few years, all DiaSorin production sites have successfully passed the QMS audits carried out by the Notified Body and the Competent Authorities of the Export Countries where DiaSorin products are registered and distributed; the Company has therefore maintained the Certifications and approvals necessary to distribute in Export Countries, while keeping the Group's business unaltered. To date, 4 Group sites (3 DiaSorin and 1 Luminex) have received and fully passed the audit to verify the adequacy of their QMS to the new EC IVD-R Regulation, while for the remaining sites, including sites that have been acquired from Luminex, the audit is expected in the first half of 2022;

B) **Maintenance of certified quality systems of DiaSorin Group's manufacturing sites**

With reference to maintaining the quality system of DiaSorin sites, the following is a summary table of the number of inspections received at the Group's manufacturing facilities during the last three years, from Notified Bodies and from the various Competent Authorities of the Export Countries where DiaSorin products are registered and distributed:

Group's manufacturing facilities	**2019**	**2020**	**2021**	**Total**
Italy, Saluggia	3	1	1	**5**
United Kingdom, Dartford	5	1	1	**7**
Germany, Dietzenbach	1	1	1	**3**
USA, Cypress	2	1	3	**6**
USA, Stillwater	3	1	2	**6**
Luminex facilities (Austin, Chicago, Madison, Toronto)	-	-	3	**3**
Total	**14**	**5**	**11**	**30**

All facilities passed the inspections received in the three-year reporting period. No indication of noncompliance and/or critical issue having an impact on the Group's business was found.

In 2021, following the continuation of the pandemic emergency, site inspection activities were conducted remotely whilst on-site inspections were conducted only for manufacturing facilities.

C) **Improvement and harmonization projects among DiaSorin facilities**:

- In May 2021, the Company completed the implementation of the inter-site project initiated in 2018 and sponsored and managed by the Corporate QA & R & CA Function with the aim of implementing, in all the Group's sites and at the Corporate level, the same software for the harmonized management of QMS aspects on an electronic platform, sharing the same rules and modes. Unlike the initial project, the Company started the implementation of two additional supplementary modules with a focus on Training planning and registration and on the management of the quality system's Documents. The implementation of the system has been started in the Chinese new facility and will involve, starting from January 2022, the 4 Luminex facilities operating in the IVD sector;
- in 2020, the Company completed the implementation of all the modules envisaged by the B.R.A.V.O platform, which has been developed starting from 2018 by the Corporate Global Procurement function together with the Corporate QA&RA&CA function. This platform is shared among all DiaSorin sites as part of the Supplier Management and ensures compliance with the QMS requirements applicable to the selection, qualification and monitoring of suppliers. The adoption of the module to manage the Supplier Qualification has been launched in 2020 in some of the Group's manufacturing facilities and completed in 2021, by involving all the remaining immunodiagnostic facilities, including the Chinese site.

Supply chain management

The supply chain management is crucial to ensure that products and services purchased comply with the Group's quality requirements and local regulatory requirements.

A screening phase is ongoing to understand the current supply chain management of the newly acquired Luminex Corporation and assess the opportunity and the best procedures for harmonizing the Luminex's supply chain management at a Group level.

The following paragraph provides the main evolutions of the Group supply chain management and the key instruments adopted.

Reorganization of the supply chain

In past years, the organization of the supply chain management of the DiaSorin Group envisaged that "critical" purchases i.e. products and services with a direct impact on compliance with the requirements of the final product were mainly managed locally by the Group's manufacturing sites, with the exception of some categories of purchases which, as they are relevant for several manufacturing sites due to the high risk associated with the impact on the finished product or due to the high unit value, were managed at Corporate level by the Global Procurement function ('Corporate' suppliers) and represented the largest share of the Group's purchases.

In order to increase supervision and efficiency, the DiaSorin Group has launched, starting from 2017, the reorganization of the entire process of the supply chain management with the aim of centralizing and progressively harmonizing the purchasing processes of production Companies and, consequently, acquiring greater central control over Group's suppliers.

The project, whose implementation continued in 2021, is structured along three main axes:

- **Organization**
  Redefinition of responsibilities centrally and locally and a central role assigned to the Global Procurement function to handle purchases at Group level; the corporate Purchasing team has been reorganized and strengthened with new hires in order to implement a central governance activity that works closely with managers at local level, through business reviews and periodic meetings. This first phase, completed in 2020, was followed in 2021 by the identification of regional staff - between the corporate and local levels - to ensure centralized supervision of some specific purchases with a strong territorial characterization. Despite the slowing down due to the increase in key figures turnover, this phase will be completed in 2022;

- **Process standardization**
  Harmonization of the different local purchasing processes that were previously managed independently by the manufacturing branches through various tools and information systems; in this regard, purchasing guidelines were approved and distributed in 2020, with the dual purpose of defining rules to be applied locally within the Purchasing department and instructing those who carry out purchasing activities, even though they do not belonging to the Purchasing department, on rules, behaviors and best practice; the next step will be to further bring part of the Guidelines into force, by upgrading them in Group Operating Procedures;

- **Management efficiency**

  Identification of purchases that need to be managed at central level (e.g., suppliers shared by several manufacturing facilities) and those that need to be managed at an intermediate level given the territorial specificity of some supplies; a centralized reorganization will be implemented on the basis of the above findings.

The project involved the introduction of an IT cloud platform, at Group level, to manage the relations with suppliers, starting from qualification to the drawing-up of contracts, including negotiation: this long-term project, which initially envisaged 4 modules with the addition of a fifth one, was completed in 2021. After an initial phase during which the platform was implemented at DiaSorin S.p.A. and DiaSorin Inc. companies, the adoption of the modules was extended and completed in 2021 in all Group immunodiagnostic sites.

Group and local Procedure System

The Group Operating Procedure "Corporate Supplier Management" and the DiaSorin Group Operating Procedure "Procurement Portal: Supplier Qualification" set out the principles to be applied at Group level for the supply chain management. Both Procedures apply to all purchases of the DiaSorin Group.

The Procedure provides the guidelines to follow at local level in the various stages of the suppliers management process and defines a clear allocation of responsibilities between the Group Companies and the relevant Corporate Functions and Departments.

Below are the main requirements that are applied to the purchasing processes carried out by the Group Companies and formalized within the Group Procedures mentioned above:

- use of a multi-functional approach to select suppliers and formalization of criteria and methods adopted in this stage;
- classification of suppliers on the basis of the risk category associated with product quality and safety;
- drafting of documentation to track the technical requirements of products being purchased. Such documentation shall be included in the contractual documents, along with clauses which contractually bind suppliers to inform DiaSorin of any change in the technical requirements of the product;
- management of supplier changes that have to be approved at local level and communicated to central Departments;
- implementation of activities to monitor suppliers at local level (e.g., acceptance tests, verification of the certifications attached to the products, audits of suppliers, etc.).

With a view to increasingly harmonizing process at Corporate level, each DiaSorin production site has been required to set up local procedures covering the management of suppliers and purchases of products and services, in order to ensure quality, safety and effectiveness of the finished product on the basis of the Group Procedures.

In 2020, specific procedures were introduced concerning the use of the platform described in paragraphs above along with procedures aimed at harmonizing processes related to the management of contract with suppliers and negotiations, consistently with standardization guidelines, and of purchasing process, regulating the most operational aspects. In 2021, these procedures have been implemented and extended to all immunodiagnostic sites along with the platform implementation.

Lastly, the Company is assessing the opportunity and modes to extend the platform and its related procedures to molecular facilities and to the newly acquired Luminex Corporation.

5.3 Results

In 2021, the DiaSorin Group continued monitoring its suppliers both through on-site audits, when compatible with the restrictions due to the COVID-19 pandemic, and through remote and documentation audits, consistently with the previous years.

Like in 2020, the 2021 audit activity was conducted on the basis of a careful risk assessment; this involved audits to be conducted remotely for suppliers considered to be more critical. On - site audit activities were allowed subject to security conditions and if the on-site presence was considered essential for the correct conduct of the audit activities.

Audits on low-medium risk suppliers have been deferred to 2022 on the basis of the pandemic evolution in the different Countries.

Like in 2020, 2021 recorded a reduction in the number of supplier audits vis-à-vis the pre-pandemic years, due to the restrictions imposed by the emergency and the consequent difficulties to conduct on-site audits, especially during the months of the year marked by pandemic resurgence. However, in 2021 the number of supplier audits was slightly higher than in 2020.

Specifically, in 2021, 15 audits were conducted on critical suppliers for the DiaSorin Group (6 in 2020), of which 9 Corporate (1 in 2020) and 6 Local (5 in 2020). The audits revealed no indication of significant noncompliance, in line with 2019-2020 period.

During 2021, Luminex facilities conducted a total of 17 supplier audits that can be classified as Local according to DiaSorin procedures.

The continuation of the pandemic in 2021 caused highly variable trends to which uneven inflation trends and the cost of raw materials contributed. This instability had direct consequences on purchasing costs, due to uneven economic recovery and economic downturn occurred in the year, as well as to other main trends (for example, general increase in labor costs at a global level). However, the Group is now structured to cope with this instability, which is promptly managed in order to minimize its impact on the Group's production structure.

In addition to these aspects, it should be noted that the Procurement Department is endeavoring to understand the extent of certain critical points analyzed in the last two years in relation to the animal welfare along the value chain. Management is evaluating the best approach to be adopted in order to meet its stakeholders' expectations in a proper manner, since the DiaSorin Group uses serums of animal origin, albeit in low percentages and in full compliance with current regulations.

6. Customer Relations and Customer Satisfaction

6.1 DiaSorin's commitment and reference principles

DiaSorin S.p.A. and Group companies are committed to providing customers with quality products and services, in addition to a reliable support aimed at creating a relationship of mutual trust, cooperation and technical and scientific professional expertise.

The main objective of the Group is fully satisfying its customers, creating a relationship based on honesty, fairness, efficiency and professionalism in accordance with the obligations arising under supply contracts between both parties and operating in total compliance with the laws and rules contained in the Code of Conduct.

In order to provide a structured management of all aspects related to quality of products and services provided, the DiaSorin Group adopts a Quality Management System in compliance with ISO 9001:2015 standards "Quality Management Systems Requirements" and ISO 13485:2016 "Medical Devices - Quality Management Systems" and a structured system to monitor customer satisfaction, as described below.

The Group is committed to meeting its stakeholders' training and educational needs -current or potential customers, professionals, scientific community and, more generally, citizens- relating to scientific and medical topics; to this end, DiaSorin promotes and supports activities in the field of Public Health.

6.2 Instruments adopted

The quality control system adopted by DiaSorin S.p.A. and Group companies covers all operating and supporting processes: from design to production, launch on the market up to after-sales supervision of the products. Such quality control system extends to all company functions involved in the activities, throughout all phases of life of the product up to reception of feedback after delivery of the product to the customer. With regard to improvement processes, monitoring the product on the market and service provided by DiaSorin to its customers is extremely important in order to assess and analyze quality.

DiaSorin S.p.A. and Group companies have implemented dedicated methods to ensure that customers feedbacks reach the company, as well as methods to process this information in order to assess whether the product or service meet the customer's expectations. On the basis of the information collected and processed, continuous improvement activities are then planned and implemented.

In accordance with regulatory requirements and relevant amendments, the Group implemented a dedicated internal procedure "DiaSorin Group Customer Satisfaction Survey" that aims at defining the manners through which the Group can regularly monitor the Customer Experience. At least every two year a specific survey is implemented and coordinated by the "Quality, Marketing and Service Corporate" Department. This activity gradually consolidated over time and now is carried out on an annual basis through two survey waves (on a half-yearly basis), which involve different customer segments. The increase in the frequency of the survey enables the Group to promptly implement corrective actions if the survey gives evidence of any critical issues. The activity has been carried out and integrated over the years with the support of the Teleperformance company.

The project involves two main levels of activity:

- **Relational**

  Extended telephone interviews, carried out on a half-yearly basis both to laboratory managers and to users operating with DiaSorin instruments;
- **Transactional**

  E-mail surveys to users who interact directly with DiaSorin technical staff. In this case, surveys are addressed to Customers after technical support, over the year.

Surveys concern the following:

- Analyzer;
- Assay Products;
- Order Entry (Supply Chain);
- Sales Representative;
- Field Engineer;
- Application Specialist;
- Technical Support;
- Benchmarks against competitors.

Survey results are tracked in real time on a specific web portal managed by the supplier and are differentiated by country: each Group company has access to data relating to its country. A detailed half-yearly report is forwarded and presented to management to evaluate the results and trends and decide any corrective actions. The portal has been configured so that a negative assessment can immediately report a noncompliance file in the event of a low score. The involved subsidiary is thus required to implement a “recovery plan” that will be disclosed on the Portal.

In light of the results of the last net score available in 2021, actions were implemented globally to increase and make more active interaction with customers through the direct involvement of Service Managers, in order to better intercept emerging needs also from a training point of view.

In addition to this internal procedure, Diasorin S.p.A. and the other Group companies - in agreement with the relevant Scientific Associations in the sector - actively participate in the organization of events on topics of current interest. These activities aim also at training laboratory staff from a scientific point of view, enhancing skills and furthering the latest scientific information. Events involving leading healthcare professionals, including institutional members (such as the Higher Institute of Health in Italy) are proactively supported.

In 2021, due to the continuation of the pandemic emergency, the Group responded to emerging needs by delivering training activities to the scientific community on the SARS-CoV-2 virus and on the related diagnostic technologies developed by DiaSorin. These events, as well as meetings on other topics, were conducted at national or regional level, mainly remotely due to the limitations imposed by the pandemic, with the exception of some initiatives that since November have been attended in person. Among others, in Italy initiatives included the "Elas National Congress" in Bologna, between 22 and 24 November, and the "Risk Management Forum" in Arezzo, from 30 November to 3 December.

In 2021, in view of the start of the commercialization of specific "point of care" products, direct support initiatives were developed for companies and pharmacies with benefits also for end users of the products.

6.3 Results

The Customer Satisfaction survey activity described above involved around 1,200 customers in 20 countries in 2021; the selection of customers to be involved had the objective of selecting a homogeneous and representative number of Customers for each country (approximately 30%) in which the Group operates directly through its subsidiaries.

The use of the platform developed with Teleperformance showed a high degree of global customer satisfaction for services provided by DiaSorin. The overall satisfaction level increased to 8.77 out of 10, from 8.53 in 2020.

DiaSorin's operating and manufacturing activities require the Customer Satisfaction to be constantly monitored. For this reason, the Group aims at repeating this survey every year, assessing customer satisfaction through a regular and centralized process.

7. RESEARCH, INNOVATION AND TECHNOLOGICAL EXCELLENCE

7.1 DiaSorin's commitments and reference principles

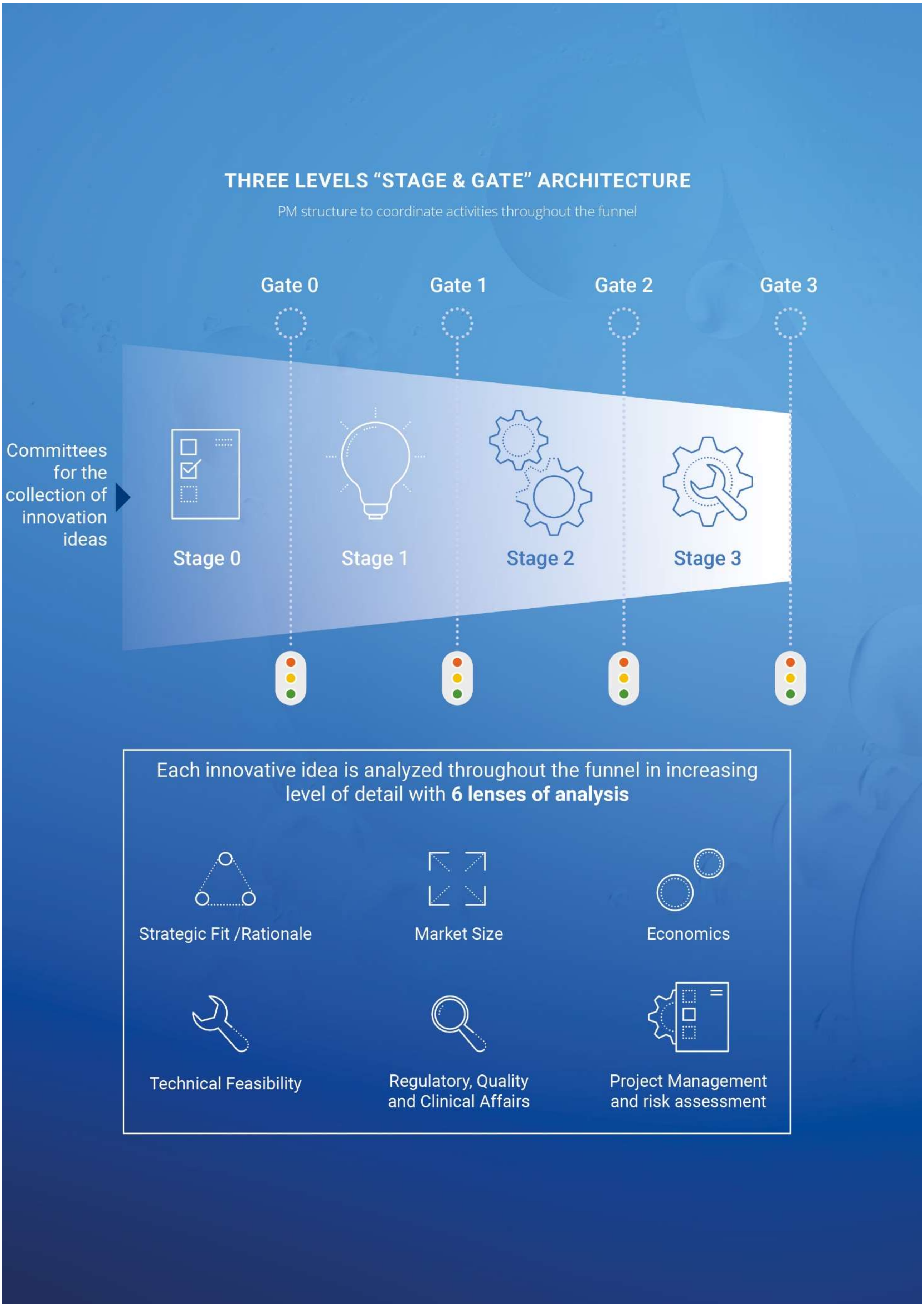
Innovation and technological excellence are key drivers in DiaSorin Group's strategy to implement its Mission and Ethical Vision. To this end, the Group is committed to implement a consistent staff policy focused on selecting talented and skilled professionals in the field of Research and Development and that may contribute to developing new technologies, products and processes promoting, at the same time, training and sharing of know-how at both national and international level.

7.2 Instruments adopted

Thanks to the Group Innovation Process led by the "Innovation" Function, it is possible to implement structured and quality strategies and plans.

This process is shared by all the Group's businesses and companies and arises from the need to ensure a structured approach to the evaluation of new ideas - Immuno-diagnostic Kits, Molecular Diagnosis Kits or analysis platforms - allowing, therefore, the start of Product Development activities for the most promising projects, only in terms of value and innovation.

The corporate strategy outlines innovative ideas proposals that, through the new Innovation Process, are gathered through either external sources, such as scientific community networks, Key Opinion Leaders and Accademia, or "internal" sources, directly by DiaSorin Group functions (Quality, R&D, Marketing, etc.).
The evaluation of ideas takes place through a "Stage and Gate" architecture, shown graphically in the picture below.



THREE LEVELS "STAGE & GATE" ARCHITECTURE
PM structure to coordinate activities throughout the funnel
Gate 0
Gate 1
Gate 2
Gate 3
Committees for the collection of innovation ideas
Stage 0
Stage 1
Stage 2
Stage 3
Each innovative idea is analyzed throughout the funnel in increasing level of detail with **6 lenses of analysis**
Strategic Fit /Rationale
Market Size
Economics
Technical Feasibility
Regulatory, Quality and Clinical Affairs
Project Management and risk assessment

Starting from June 2021, the introduction of Gate 0 involves:

a) a prior check to verify that the proposed idea is consistent with the macro strategic indications;

b) prioritization;

c) preliminary assessment of the target indication/utility;

d) allocation of a preliminary budget for the "proof of concept" and "wet chemistry" activities.

A Project Management structure coordinated by the Innovation Function and a dedicated governance ensure that each idea is analyzed and assessed in each gate where the hypothesis or development proposal can advance to the next stage, rejected or put on hold for additional analyses required or deemed necessary.

In Gate 3 the project is included in the Group's PDMP (Product Development Master Plan). This document is monitored and periodically updated by the Corporate R&D Department and provides information on the Group's active projects for each development phase (pre-feasibility, feasibility, validation, industrialization).

To ensure a structured assessment process, emerging innovative ideas are classified into 3 different standard categories that are valid for both kits and tools:

- **"Expand**" opportunities are ideas of new kits or tools for the market that enable DiaSorin to **expand the IVD market** (in-vitro diagnostics);
- "**Advance**" opportunities are either ideas of kits or tools that are already on the market but not yet in the Group's portfolio or solutions that are already present in the Group's portfolio and can be integrated with new functions, adjusted to have better performances, or delivered through different technologies to **increase DiaSorin's market shares**;
- "**Sustain**" opportunities are ideas aimed at **improving current kits, tools or industrialization process efficiency,** in order to offer the market products with better margins for the company while maintaining the same quality features

Under ordinary conditions, in addition to ensuring that only products of proven value are launched on the market - thanks to detailed analyzes carried out to accurately filter the best ideas - this process makes Product Development more efficient and faster, since gaps, necessary information and relevant variables are analyzed starting from the innovation phase.
Work process is divided by projects or processes, creating dedicated cross-functional teams (thus, removing the traditional functional structure) and identifying the actions to be carried out to ensure quality to the process. This is crucial to allow a rapid and effective adjustment to market needs.

The current process carried out at the newly acquired Luminex Corporation is in line with DiaSorin Group's procedure; harmonization and integration of these processes are ongoing.

7.3 Results

In 2021, in response to the pandemic emergency and thanks to the Group Innovation Process, DiaSorin developed a series of specific projects in response to the needs deriving from the COVID-19 spread (so-called "COVID projects").

Among these, as part of the development of immunodiagnostic tests, in January 2021 DiaSorin launched LIAISON® SARS-CoV-2 TrimericS IgG test, a new quantitative serology test, available in markets accepting the CE Mark, for determination of IgG antibodies against SARS-CoV-2. The test determines and quantifies the long-term immune response against the virus.

In March 2021, the LIAISON® SARS-CoV-2 Ag antigen test received Emergency Use Authorization in the United States. The test, which had been launched in 2020 with CE mark, is used for detection of COVID-19 infection in symptomatic patients within 10 days of symptom onset.

In April the new LIAISON® IQ Immunodiagnostic POC (Point Of Care) platform was launched in markets accepting CE mark, together with the first LIAISON® Quick Detect COVID TrimericS Ab test, for the detection of IgG antibodies against SARS-CoV-2.

The test offers a solution to detect both the immune response to a natural infection and to COVID-19 vaccines. This first test was followed in May 2021 by the launch of the new LIAISON® Quick Detect COVID Ag antigen test on the LIAISON® IQ platform for markets accepting CE mark.

COVID Projects in the field of molecular diagnostics include the launch of two additional tests: Simplexa™ SARS-CoV-2 Variants Direct (RuO) and Simplexa™ COVID-19 & Flu A/B Direct. The SimplexaTM SARS-CoV-2 Variants Direct (RuO), launched in May 2021, enables detection and discrimination of four SARS-CoV-2 mutations associated with circulating virus variants. The assay helps to streamline and speed-up the pre-selection process of positive samples that need further sequencing, maximizing the effectiveness of monitoring programs for the spread of COVID-19 variants. The Simplexa™ COVID-19 & Flu A/B Direct, available from September in countries accepting CE mark and approved for use on the LIAISON® MDX platform, allows for the in vitro qualitative detection and differentiation of SARS-CoV-2 RNA segments and influenza A virus and influenza B virus from nasopharyngeal swabs (NPS) without the need for off board extraction; the test will be submitted to the FDA for approval.

Although the pandemic emergency significantly impacted also 2021, projects not related to COVID-19 continued to be on track. Among these, in the immunodiagnostics field, the Group received FDA approval in February 2021 for its LIAISON® Lyme IgM and LIAISON Lyme IgG tests for Lyme disease.

April 2021 saw the launch of the new LIAISON® LymeDetect test using QuantiFERON technology. The test, which has been developed in partnership with QIAGEN and is available in markets accepting CE mark, combines detection of IgG and IgM antibodies and cellular immunity for the early diagnosis of Lyme Borreliosis.

In June 2021, the LIAISON® Murex AntiHEV IgG & IgM test was launched on LIAISON® platforms in all countries accepting CE mark: it is the first CLIA fully automated high-throughput solution for the diagnosis of Hepatitis E (HEV).

November 2021 saw the launch, in countries accepting CE mark, of the LIAISON® MeMed BV, the first fully automated test to differentiate accurately between bacterial and viral infections. This host signature test for inflammatory proteins has been developed with MeMed following a license agreement announced in September. The test is available on the LIAISON® XL platforms. The FDA approval is expected for 2022; the test provides a valuable tool in the proper use of antibiotics and in the antimicrobial resistance.

Finally, again at the end of November, DiaSorin received FDA approval to extend the use of the LIAISON® QuantiFERON-TB Gold Plus test to the LIAISON® XS platform, thus widening the accessibility of tests on blood samples for the diagnosis of Latent Tuberculosis in the U.S.

The strategy to expand the diagnostic tests offering is linked to the strategy to further develop the Group's analyzers platform, with the aim of accessing new market segments. In particular, the new LIAISON® XS platform, designed for small laboratories, was launched in Europe in 2019. Its commercialization outside Europe, in particular in the United States and China, began during 2020 and continued throughout 2021. A further evolution of DiaSorin's platform concerns the development of new solutions to strengthen DiaSorin presence in segments that are already covered by the LIAISON® XL.

In response to the pandemic, Luminex has developed multiple projects on its own technology platforms. In the first quarter of 2021, Luminex launched a project to add the SARS-CoV-2 target to the ARIES® Flu A/B and RSV panel, in view of the transition of future customer demand from COVID testing only to breathing panels with COVID included; the development of this project started in April 2021 and is scheduled to be launched in 2022.

On the NxTAG® platform, annual bio-surveillance identified a change in the target, therefore the NxTAG RPP-CoV panel was updated with additional targets. The NxTAG RPP-CoV V2 was developed in the first quarter of 2021 and is scheduled to be submitted for FDA approval in the first quarter of 2022.

As for RuO (Research Use Only) products, the Guava® SARS-CoV-2 Multi-Antigen Antibody Kit was developed as a research tool for Guava customers and launched in June 2021. It is a novel bead-based immunoassay for flow cytometry, which detects IgG, IgM and IgA antibodies against three SARS-CoV-2 antigens in serum and plasma samples.

In addition to the "COVID Projects", Luminex continued to develop the LIAISON® PLEX menu; it includes the RP Flex test, which now includes the SARS-CoV-2 target, the GI Flex test, and the blood culture product family, including Gram positive (BCP), Gram negative (BPN), and yeast (BCY) products. In the xMAP® product family, the new INTELLIFLEX® instrument was launched in the second quarter of 2021 through our partner channel.

Further details on new products developed in the three-year reporting period are provided in the Reports on Operations of the DiaSorin Group. The pipeline of initiatives to be assessed includes more than 50 ideas in the immunodiagnostic and molecular diagnostic areas, both as regard kits and instruments.

In 2021, 24 new ideas have been approved for the development of products and instruments to be included into the PDMP.

The following provides the number of PDMP projects at December 31 for each reporting year:

Reagents for Immunoassay	2019	2020	2021
Pre-feasibility	2	2	2
Feasibility	1	7	10
Validation	16	4	7
Industrialization	9	4	0

TOTAL	28	17	19

Reagents for Molecular *	2019	2020	2021
Pre-feasibility	2	2	1
Feasibility	-	-	6
Validation	3	3	6
Industrialization	17	17	18
TOTAL	**22**	**22**	**31**

* Including: Assays, ASRs ("Analyte Specific Reagents"), Aries, Verigene and Non-Automated

Instrument projects (Immuno + Molecular + Licensed Technologies)	2019	2020	2021
Pre-feasibility	4	1	2
Feasibility	4	12	19
Validation	10	15	24
Industrialization	0	-	-
TOTAL	**18**	**28**	**45**

8. EMPLOYEE MANAGEMENT

8.1 DiaSorin's commitments and reference principles

DiaSorin's value increased proportionally to the value of people who worked or still work at DiaSorin. Following the acquisition of Luminex, DiaSorin has become even more international, strengthening its presence both in the U.S. and in Europe. Against this new backdrop, the challenge of the Human Resources is to drive the company culture evolution through the development of a People Strategy that takes into account diversity and is able to handle such diversity in an inclusive manner, fostering people talent.

People growth is part of DiaSorin's history and is structured around three main pillars:

- LEADERSHIP - Management competence, that is a mix of expertise and sensitivity, business acumen, skills and experience, which makes it possible to recognize and evaluate the contribution of each single individual in relation to a collective result;
- ENGAGEMENT - sense of belonging with a strong identification with "the Diagnostic Specialist" mission, as well as the capability to outline a clear long-term Vision with agility and flexibility to achieve common and shared objectives;
- TALENT - ability to turn the strategy vision into concrete action, thanks to the distinctive skills of People who work with passion and energy, without making any compromises between speed and quality of execution. The work of each employee is crucial to achieve the end result.

This commitment, which is formalized in the Human Resources Strategy and has a Culture of Merit as key element, aims at nurturing and developing a culture of excellence and adopts the guidelines provided in the "DiaSorin Leadership Model", a solid foundation for our company culture along with the company's Code of Conduct. The "DiaSorin Leadership Model" describes the execution capacity, pragmatism, focus on details, skills, sense of belonging, proactivity and energy, integrity that are at the core of the Group Entrepreneurial Spirit.

The evolutions occurred over the last years required to integrate different skills and expand the list of the guiding Values that are part of a new "Managerial Style" such as:

- **Innovation,** ability to find new solutions and new ways to do things, without fear of challenging the *status quo*;
- **Capacity to inspire colleagues**, activating empowerment processes and involving a growing number of people.

The "DiaSorin Leadership Model" has the ambitious aim of:

- **Stimulating minds** of people who work within the Company;
- **Generating motivation** towards the common Good;
- **Fostering creativity and planning** skill on the basis of a vision of the future intended as capacity to see and desire the Diasorin of tomorrow.

The Human Resources management refers to the Group's Code of Conduct which sets out a set of norms and standards of conduct to which the Group is required to abide by, concerning:

- **Employee management policies:** "*Any form of discrimination against employees or staff members is prohibited. All decisions regarding personnel management and development are based on considerations of merit and/or correspondence between expected profiles and those of staff members. The same consideration applies to the decision to assign employees to different roles or positions".*
- **Employee empowerment and management:** *"In managing hierarchical relations, company stakeholders undertake to guarantee that authority is exercised fairly and correctly, avoiding any type of abuse. Requesting, as something due to a superior, services, personal favors or any other form of conduct that infringes this Code of Conduct constitutes an abuse of position of authority. Each manager is required to use and fully exploit all the professional competencies of the structure, activating available levers to promote development and professional growth of personnel".*
- **Equal Opportunities**: "*DiaSorin is committed to providing equal opportunities to all its employees, both at the workplace and as regards career advancement. The supervisor shall ensure that, with regard to all aspects of employment such as recruitment, training, remuneration, promotion, transfer and termination, employees are treated according to their ability to meet job requirements, avoiding any form of discrimination, in particular discrimination based on race, sex, age, nationality, religion and personal beliefs*".

8.2 Instruments adopted

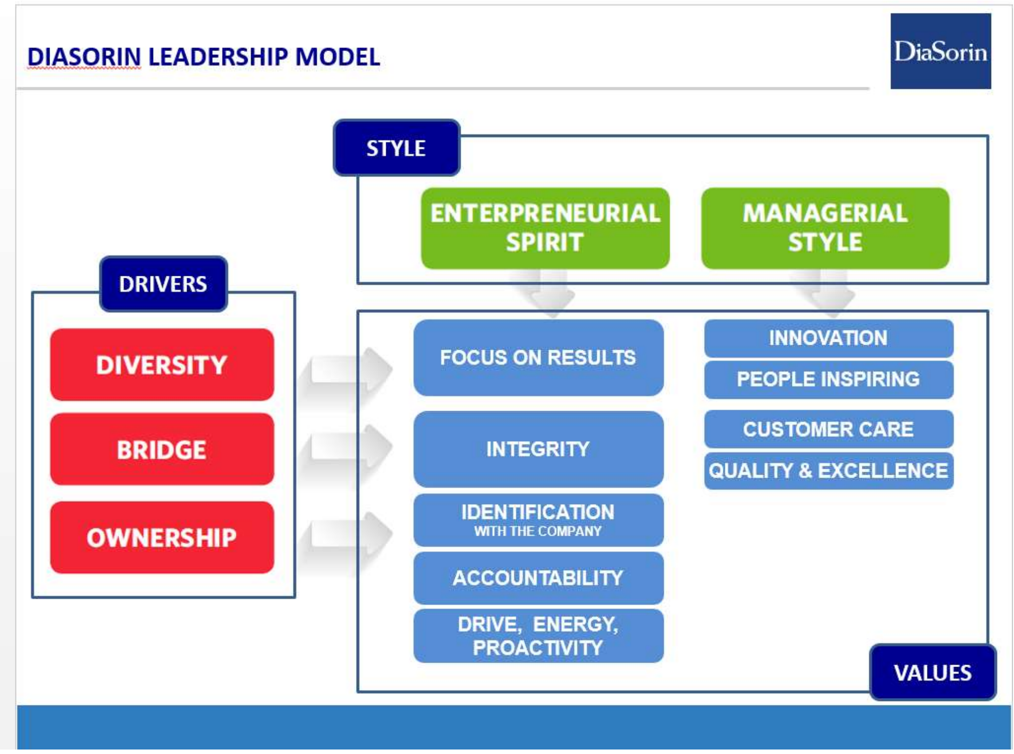
The following provides the DiaSorin Group's main instruments to manage and reduce risks (or where applicable, to address opportunity) as detailed in paragraph "Identification of risks and opportunity" in relation to employee-related matters.

"DiaSorin Leadership Model" and Performance Management

The Leadership Model adopted by the DiaSorin Group is a balanced mix of entrepreneurial spirit and managerial skills that are part of the Company's DNA, which underpins the processes involved in Talent enrichment and development.

Specifically, the Leadership Model's main objectives are the following:

- Creating a common language to share DiaSorin managerial style;
- Clarifying expectations on objectives and results;
- Making the recruitment process easier, by sharing values and characteristics required to candidates;
- Structuring the assessment of soft skills;
- Nurturing the culture of assessment and merit.



The Model is the result of a process started in 2010, through the direct observation of the Group's people and continued throughout the years through the identification and definition of its values, the development and launch of a performance management system and managerial education programs. In 2019, the assessment of performance and behaviors consistent with the Leadership Model were extended to all Group employees.

This approach defines individual development plans featuring qualified, fair and inclusive training to provide an opportunity to foster each employee talent.
DiaSorin adopts a Performance Management Process (P.M.P.) which is carried out annually and is addressed to all Company employees through the PMP Lead (employees with a variable compensation) or PMP You (all other employees). The PMP Lead and the PMP YOU assess the soft skills that are consistent with the company culture and encourage managers and teams to a constant dialogue about their contribution to the company growth and their behaviors to achieve the objectives set. The purpose of this process is to identify opportunities for performance development and enhancement.

To support the Performance process, HR information system are used for the standardization of the assessment process of each employee's performance and behavior.

In 2021, in order to properly conclude the ongoing Performance cycle, DiaSorin and Luminex conducted the process observing the terms and manners outlined before even though the two companies endeavored to follow common guidelines. In 2022, Luminex and DiaSorin Performance processes will be fully integrated.

Training activities

The DiaSorin Group is committed to providing quality, fair and inclusive education that may represent a learning and development opportunity for each employee. Skills development is one of the key pillars of DiaSorin mission. For this reason, training needs of each employee are analyzed extremely thoroughly on the basis of business priorities, inputs from Heads of Department and, where necessary, taking into account objectives deriving from the regular assessment process. Every year, technical and cross-functional training activities to support business are planned and developed in response to emerging macro themes/training focus. Training programs are held by either internal or external qualified staff giving priority to in-house training paths in order to enhance employees' knowledge and skills. In-house training paths are addressed to technical staff in charge of equipment installation and maintenance at the customers' premises in each region where DiaSorin is present. The employees in the Service area, in fact, undergo training that is entirely managed and monitored by colleagues who work in the same area at Corporate level. Conversely, external training covers various areas. In 2021, in relation to the handling of the pandemic situation, the courses have been conducted partially remotely and partially in person. Topics included health and safety, leadership training for Management, managing relations among colleagues, and increasing the employees' sense of belonging the distance.

As regards the tools used to ensure employees' access to remote training opportunities, each site continued to use multimedia platforms considered to be most effective on the basis of Group guidelines relating to training activities. In particular, the use of an online learning platform has been consolidated for employees in North America.

In 2021, the following are examples of training courses aimed not only at improving technical skills, but also at reinforcing the employees' soft skills:

- Take the Lead

- Project Management
- Diversity, Awareness Training
- Marketing Pills
- Corrective and Preventive Action
- Nonconforming Material Reports

Again in 2021, courses were provided with specific reference to the pandemic situation and prevention.

In 2019, the Company implemented a training course called European Platform Training Academy involving Industrial Operations employees of the European subsidiaries with training sessions coordinated by the HR Function and held by external staff. Training programs cover different areas (technical skills, cross-functional and soft skills and people management) and continued in 2020 and 2021 both remotely and in person.

Given the positive result of these experiences, which not only strengthened the employees' skills, but also contributed to strengthening the sense of belonging towards the Company, in 2021 DiaSorin launched a pilot project on e-learning platform. On the back of the project's success, the Company intends to extend its scope and introduce an e-learning platform at Group level.

The Induction program is structured to provide all the tools necessary to new hires to better understand their role and the Corporate Culture.

Group cross-functional training activities linked to HR processes and related information systems continued throughout 2021 and computerization of HR processes was successfully completed.

Training carried out on the system did not focus exclusively on technical issues related to its functioning, but it was also an opportunity to share the corporate culture underpinning the HR processes managed by the system. An example is the "Year End Evaluation" training provided to all the Managers of the DiaSorin Group who, through the Performance process, are responsible for assessing the achievement of objectives assigned at the beginning of the year. In addition to the necessary technical and procedural instructions, training covered soft skills-related aspects that can ensure a perfect motivational alignment between corporate strategy and the activities of the single employee, teams and different Functions by promoting constant and transparent dialogue.

Finally, the implementation of the SmartSolve platform was completed in all DiaSorin sites. This platform enables the Company to automate and homogenize the process of data gathering related to training activities, making the related supporting documentation more accessible and structured. The Platform is expected to be extended to Luminex by early 2022.

Organizational evolution and change management

The Company business sector is constantly evolving and requires innovative solutions to be implemented quickly and with the highest quality of execution, thanks to the adoption of increasingly advanced organizational schemes.

To this end, on July 14 2021, DiaSorin completed the acquisition of Luminex, a company of approximately 1,400 employees mainly located in the United States, which develops, manufactures and sells proprietary biological testing technologies and products with various applications in the diagnostic and life science sectors. The acquisition strengthened DiaSorin's positioning in the molecular diagnostics market and its current value proposition, in line with the strategic priorities of the Group's 2019-2022 business cycle. With its first-class technology and extensive Life Science solutions supporting clinical and pharmaceutical research and development, Luminex is highly complementary to DiaSorin's business. The acquisition has broadened DiaSorin's positioning in the molecular diagnostics market and strengthened its current value proposition, in line with the Group's strategic priorities that are developed following two fundamental guidelines- consolidation and decentralization- in order to provide technological and cutting-edge solutions ranging from hospital and commercial testing laboratories to decentralized settings (point of care).

Together with the evolutions of last years, 2021 outlined the challenge for the integration between DiaSorin and Luminex, in terms of synergies and organizational structure.

In light of the protracted national and international emergency due to the COVID-19 epidemic, the DiaSorin Group continued to respond promptly to the needs of hospitals around the world, contributing to fighting the pandemic through the launch of 6 new diagnostic tests during the year.

Lastly, the Company continued implementing the Talent Acquisition and training activities to define the organizational structure related to the forthcoming opening of the Chinese industrial site.

The above involved a large investment in terms of change management and communication.

Welfare and benefit initiatives

The DiaSorin Group provides different types of defined-contribution and defined-benefit plans, in accordance with the local conditions and practices in the countries in which it operates. Defined-benefit pension plans are based on the length of the working lives of employees and the wages earned by employees over a predetermined period of service. Pension plans include the provisions for employee severance indemnities in Italy, the" Employment Rights Acts 1996", the "Employment Relations Act 1999" and the "Children and Families Act 1999" in the U.K., the "Alecta" system in Sweden, the "U-Kasse" pension plan and the "Direct Covenant" system in Germany, medical plans and insurance, life insurance and pension plans in the U.S. according to the" Affordable Care Act" and the "401kPlan".

Defined-contribution plans foresee that certain Group Companies paying contributions to public or private insurance institutions pursuant to a statutory or contractual obligation or on a voluntary basis

In order to strengthen employees' engagement and well-being, several Group companies implemented initiatives to integrate the healthcare programs provided by local legislation, such as preventive healthcare programs and family support.

For example, in order to ensure effective COVID-19 contagion prevention and consistently with the provisions of the different countries, again in 2021 the Company offered workers the chance of carrying out serology tests, rapid antigen tests, COVID-19 molecular tests, influenza vaccine, pneumococcal pneumonia vaccine - free of charge and on a voluntary basis.

With reference to the initiatives launched in each country, the following should be mentioned:

- In the U.S., the Group confirmed the procedure to support and foster elderly assistance and paternity leave (“Family Care Leave Policy”).

- in England, the Company offers its employees private medical insurance and vouchers aimed at supporting employees' children, as part of the Benefits plan, and is committed to constantly updating the available benefit package.
- The Chinese subsidiary expanded the panel of services for medical insurance cover and for employees on business trip. Employees have benefits for sporting activities, free of charge. The Company promoted also Team Building activities.
- At the end of 2019, the DiaSorin Group renewed its Corporate Welfare Plan in Italy. The Plan was implemented in 2017 and provided for a payment of a flexible benefit amounting to 864 euros in the 2017-2019 period for each employee, to be spent in tax-free services. Today the current flexible benefit amount has been doubled (equal to €1,700 thousand in the 2020-2022 reporting period) since the panel of services provided has been expanded (healthcare, education, culture and leisure). The welfare agreement was signed through an active and ongoing dialogue with social partners. In addition, starting from 2021, employees are given the opportunity to convert part of the "Participation Prize" and integrate it into the Welfare Plan.

Dialogue with the social partners and focus on employees’ needs

In a context where the labor market is increasingly uncertain due to the COVID-19 pandemic and the Company's is required to employ increasingly specialized skills, in 2021 the DiaSorin Group carried out several activities aimed at retaining and attracting talents, fostering dialogue with employees.

For this reason, dialogue with social partners is a crucial tool. To this end, personnel in charge of managing relationship with Trade Associations, where existing on the basis of local regulations, maintains an ongoing dialogue with Trade Associations, both in standard and in any extraordinary situations, according to a constructive and collaborative approach.

As the emergency linked to the COVID-19 pandemic continued, dialogue with the social partners has been further strengthened via meetings aimed at ensuring the utmost protection for all workers. This proved to be essential to ensure that all workers would continue working in full compliance with health and safety. In particular, in 2021, DiaSorin implemented a policy at a global level that promotes a hybrid work model, with part of the work carried out at the Corporate headquarters and part remotely. This model is based on mutual trust and promotes the balance between private life and work, always ensuring business continuity.

In addition to the dialogue with social partners, DiaSorin makes use of direct communication channel to listen to its employee needs through, for instance, regular employee satisfaction survey carried out by DiaSorin facilities in North America (DiaSorin Inc and DiaSorin Molecular).

The surveys are followed by:

- further in-depth analyzes through focus groups attended by local management
- the definition of action plans promoting employee engagement through the implementation of a favorable work environment.

At a local level, specific initiatives have been completed, such as the initiative called "Magic Box", which provides the employees of the Chinese branch with the opportunity to contribute with proposals aimed at improving processes and company programs to achieve the expected results of excellence.

The actions aimed at enhancing the DiaSorin brand outside the company also continued during the year. Examples are the updating of the website www.diasoringroup.com and the use of social networks such as LinkedIn at corporate level and Glassdoor in the United States.

Diversity and inclusion

The DiaSorin Group recognizes the individual value that each employee brings to the Company and encourages initiatives and behaviors capable of creating an environment where everyone is actively included, in order to develop small ideas and achieve great results in terms of innovation. The Company firmly believes that the best solutions come from different perspectives, without fear of asking and answering tough questions and jeopardizing the status quo. The ability to understand and foster diversity and inclusion within the Group is a key element of the process of cultural integration between DiaSorin and Luminex. In 2021, a global work team was created for the integration of employee management processes, whose activities will continue in 2022.

For effective management of diversity and inclusion, the Group implemented anti-harassment and bullying policies regulating the behaviors that employees must adopt to promote a positive workplace. DiaSorin is also committed to implement specific policies to meet the different needs of the countries where the Group operates. Some Group companies implemented training courses on this topic. In North America, DiaSorin participated in monthly events to promote and enhance diversity and in dedicated Career Days with the primary objective of facilitating access to the labor market for people with disabilities and former military fighters. In the UK, initiatives were organized to promote and enhance diversity, in addition to specific courses on this topic.

8.3 Results

The tables that follow show the main data on personnel management in 2021 and in the periods provided for comparison.

Information on Group's employees

Number of employees by gender								
2019			2020			2021		
Men	Women	**Total**	Men	Women	**Total**	Men	Women	**Total**
1,062	877	**1,939**	1,141	925	**2,066**	1,920	1,438	**3,358**

It should be noted that in 2021 the DiaSorin Group's employees include 1,257 employees of the newly acquired Luminex.

Employees by category	2019			2020			2021		
	Men	Women	**Total**	Men	Women	**Total**	Men	Women	**Total**
Executives	80	26	**106**	85	31	**116**	159	66	**225**
White collars	796	747	**1,543**	834	746	**1,580**	1,324	1,183	**2,507**
Blue collars	186	104	**290**	222	148	**370**	437	189	**626**

Employees by age	2019			2020			2021			
	Executives	White collars	Blue collars	Executives	White collars	Blue collars	Executives	White collars	Blue collars	**Total**
<= 29 years old	-	144	62	-	140	101	-	266	154	**420**
30 - 50 years old	54	996	145	56	1,026	175	117	1,587	313	**2,017**
>= 50 years old	52	403	83	60	414	94	108	654	159	**921**

Disclosure 405-1 Diversity of governance bodies and employees del GRI Standard 405: Diversity and Equal Opportunities 2016

Employees by contract type	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of employees with permanent contract	1,047	865	**1,912**	1,123	914	**2,037**	1,864	1,375	**3,239**
Number of employees with fixed-term contracts	15	12	**27**	18	11	**29**	56	63	**119**

Employees by type of employment	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of full-time employees	1,057	819	**1,876**	1,135	889	**2,024**	1,914	1,399	**3,313**
Number of part-time employees	5	58	**63**	6	36	**42**	6	39	**45**

Disclosure 102-8 Information on employees and other workers del GRI Standard 102: General Disclosures 2016

Employees by education	2019			2020			2021		
	Men	Women	**Total**	Men	Women	**Total**	Men	Women	**Total**
University graduates	715	628	**1,343**	782	650	**1,432**	836	698	**1,534**
Biology	*145*	*180*	***325***	*169*	*213*	**382**	*186*	*252*	**438**
Chemistry	*59*	*54*	***113***	*60*	*48*	**108**	*59*	*47*	**106**
Biochemistry	*65*	*74*	***139***	*59*	*71*	**130**	*59*	*63*	**122**
Economics	*68*	*44*	***112***	*66*	*36*	**102**	*56*	*41*	**97**
Engineering	*179*	*73*	***252***	*197*	*57*	**254**	*203*	*68*	**271**
Other degrees	*199*	*203*	***402***	*231*	*225*	**456**	*273*	*227*	**500**
Technical graduates	129	78	**207**	126	77	**203**	132	85	**217**
General graduates	167	144	**311**	183	171	**354**	144	126	**270**
No degree	51	27	**78**	50	27	**77**	51	29	**80**

It should be noted that the table of employees by education does not include data relating to Luminex employees, as this information was not historically collected in the information systems of the newly acquired company. In order to align Luminex with the rest of the DiaSorin Group, a process of data tracking has been implemented starting from FY22.

Dialogue with the social partners

33% of the Group's employees are covered by collective bargaining agreements and represent about a third of the Group's companies.

The percentage decrease of employees covered by collective bargaining agreements in FY21 compared to FY20 is mainly attributable to the Luminex inclusion in the reporting. Luminex employees are mainly located in the United States, where this type of contract is not provided.

	2019	2020	2021
Employees covered by collective bargaining agreements or similar agreements (%)	51%	49%	33%

Disclosure 102-41 Collective bargaining agreements del GRI Standard 102: General Disclosures 2016

New hires and employee turnover

In 2021, new hires were 503, of which 127 related to Luminex, the rate of new hires in 2021 was equal to 15% (18% in 2020 and 12% in 2019). The following table provides employees by gender and age

Number of persons hired in the year	2019			2020			2021		
	Men	Women	**Total**	Men	Women	**Total**	Men	Women	**Total**
Total	150	89	**239**	201	161	**362**	295	208	**503**
By age:									
<= 29 years old	42	30	**72**	67	55	**122**	101	80	**181**
30 - 50 years old	88	47	**135**	110	75	**185**	141	109	**250**
>= 50 years old	20	12	**32**	24	31	**55**	53	19	**72**

Disclosure 401-1 New employee hires and employee turnover del GRI Standard 401: Employment 2016

In 2021, the average turnover rate was equal to 16% (11% in 2020 and 13% in 2019).
The following table provides turnover by gender and age:

Turnover rate	By age			By gender		
	<= 29 years old	30-50 years old	>= 50 years old	Men	Women	**Total**
	29%	14%	15%	16%	16%	16%

Number of persons who have ceased to work (*)	2019			2020			2021		
	Men	Women	**Total**	Men	Women	**Total**	Men	Women	**Total**
Total			**285**			**232**	315	236	**551**
By age:									
<= 29 years old							71	51	**122**
30 - 50 years old							158	130	**288**
>= 50 years old							86	55	**141**

Disclosure 401-1 New employee hires and employee turnover del GRI Standard 401: Employment 2016
(*) The detailed disclosure of the indicator has been integrated starting from 2021 report.

Training activities

	2019	2020	2021

Number of training hours by category	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	1,432	816	**2,248**	2,705	1,879	**4,584**	3,391	2,669	**6,060**
White collars	36,124	26,856	**62,980**	48,473	38,677	**87,150**	68,166	69,825	**137,991**
Blue collars	7,742	4,926	**12,668**	27,837	26,638	**54,475**	27,622	20,175	**47,797**

Number of training hours by type	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Induction programs	5,709	2,976	**8,685**	2,313	2,555	**4,868**	2,873	2,884	**5,757**
Training on environment, health and safety	6,654	3,931	**10,585**	12,252	7,205	**19,457**	19,588	16,570	**36,158**
Technical-professional training	20,733	12,724	**33,457**	19,146	11,722	**30,868**	18,446	15,134	**33,580**
Foreign language courses	414	324	**738**	83	96	**179**	220	181	**400**
Managerial training	1,905	1,506	**3,411**	3,460	2,891	**6,351**	7,658	8,056	**15,714**
Other	9,883	11,137	**21,020**	41,761	42,725	**84,486**	50,394	49,845	**100,239**

Average training hours	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	18	31	**21**	32	61	**40**	21	40	**27**
White collars	45	36	**41**	58	52	**55**	51	59	**55**
Blue collars	42	47	**44**	125	180	**147**	63	107	**76**

Disclosure 404-1 Average hours of training per year per employee del GRI Standard 404: Training and Education

The Performance Management System

Employees receiving regular performance and career development reviews (%)	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	99%	100%	**99%**	96%	97%	**97%**	101%	102%	**101%**
White collars	94%	92%	**93%**	97%	98%	**97%**	98%	95%	**97%**
Blue collars	90%	84%	**88%**	95%	81%	**90%**	94%	92%	**93%**

Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews del GRI Standard 404: Training and Education

The indicator concerns employees with a portion of variable remuneration (i.e., MBO, Incentives) and, where applicable, personnel who, also on the basis of the agreements with social partners, were subject to a formal assessment of their performance during the reporting period, regardless of the presence in the Company at December 31, 2021. Company employees with a length of service of less than 3 months do not receive a performance assessment in the current year.

Diversity and Equal Opportunities

Ratio basic salary man/woman	2019	2020	2021
White collars	91%	93%	88%
Blue collars	85%	85%	89%

Disclosure 405-2 Ratio of basic salary and remuneration of women to men del GRI Standard 405: Diversity and Equal Opportunities 2016

9. ENVIRONMENT, HEALTH AND SAFETY

9.1 Handling the COVID-19 pandemic

During 2021, as well as in 2020, the situation caused by the evolution of the SARS-CoV-2 (COVID-19) pandemic had an impact on the whole Group,

Specifically, DiaSorin has been considered a strategic company due to the business sector in which it operates and has always continued all activities by adopting rules of conduct and prevention, in order to protect all workers and continue to supply Hospitals and Laboratories all over the world with its diagnostic tests, in full compliance with regulations applicable in the different Countries and the continuous legislative developments occurred during the year in response to the pandemic situation.

The basic principle of prevention adopted by the DiaSorin Group during the pandemic was based on **prevention, monitoring, information and training strategies**. The Group, working closely with workers' organizations, implemented these levers with firmness, determination, discipline and transparency, asking for all employees' collaboration in adopting safe behaviors both inside and outside the workplace.
In order to reduce contacts between people and consequently the spread of the virus, Smart Working was widely adopted throughout the Group during the pandemic.

From the pandemic onset and on several occasions according to its evolution, all Group employees received regular communications regarding rules of behavior and prevention to be adopted. Particular attention was also paid to the following aspects:

- monitoring each case and providing instructions on how to manage cases with symptoms or risk situations based on close contacts or places visited;
- measures for sanitation and hygiene of environments and of equipment;
- rules on the use of personal protective equipment and disinfectants;
- measuring body temperature at the entry to workplaces;
- rules on social distancing and use of common spaces;
- rules on isolation between buildings, departments and adoption of shift work;
- restrictions on business trips and specific approval process and detailed planning in cases where travel is deemed necessary for the performance of business activities, always in compliance with the evolution of the pandemic situation;
- rules on the use of IT systems to hold meetings remotely (video conferences, hangouts and others);
- restrictions and rules on supplier access to Group sites, through the definition of an approval process in the event that entry to the site is necessary for specific business purposes;
- rules and behaviors on how to carry out activities at customers' premises.
- constant communication addressed to employees of each country, regarding the anti-covid vaccination plans in the various countries.

In addition, the specific health surveillance protocol for COVID-19 cases has been reviewed and updated several times, in compliance with local regulatory requirements and constant developments. For an effective prevention of contagion and in line with the provisions of the various countries, the Company provided its employees the opportunity to carry out COVID-19 tests, free of charge and on a voluntary basis, with particular attention to the periods when employees return to work after winter and summer breaks and to the periods when the spread of the virus is more severe. In the various branch offices, the Company offered vaccination to employees against seasonal flu and pneumococcal pneumonia.

DiaSorin has adopted these obligations in full compliance with the local regulatory provisions in the countries where the use of a special Pass is envisaged (e.g., Green Pass) for access to company premises, providing for specific checks at the entrance and also random checks; such controls are adopted for both internal and external staff.

In addition to inform employees on the COVID-19 prevention measures, the Group delivered intense specific training activities in 2021, in particular to new hires during the induction activities.

All the activities involved worker ' representatives, in particular in the Italian offices of Saluggia and Gerenzano the activities with Workers' Safety Representatives have been integrated with periodic updating meetings with the Trade Union Representatives Organizations. Workers are actively engaged in health and safety topic also in the other countries where the Group is present, in compliance with national regulations.

Initiatives have been implemented in the various Group offices to facilitate anti-Covid vaccination for all staff in line with local regulations. In particular, a vaccination hub dedicated to anti-Covid vaccinations was set up at Saluggia head office, in collaboration with the other companies in the area where the parent company is based, with the support of the Italian Red Cross and in coordination with the Local Health Authority. Thanks to this hub about a thousand people received their first and second dose of vaccine.

9.2 DiaSorin's commitments and reference principles

Since 2015, the DiaSorin Group's has developed its **EHS Management System** in line with ISO 14001 and ISO 45001 standards in order to effectively manage Group employees' health and safety matters and environment-related issues. This system is not subject to certification.

Under the EHS Management System, DiaSorin has defined its environmental, health and safety Policy drafting the document "**Environmental, Health & Safety Policy Statement**" (hereinafter the "**EHS Policy**"), approved by the Group's Chief Executive Officer and which applies to all the Group facilities.

The EHS Policy sets forth DiaSorin's commitment towards health and safety of its employees, clients and stakeholders in general. The policy includes also the Company commitment to minimizing its environmental impact and promoting ongoing improvement with respect to Environmental matters in order to identify formal improvement targets that are in line with the Sustainable Development Goals (SDG) of the United Nations 2030 Agenda and to identify, prevent and mitigate climate change-related risks.

The following provides the manner in which the DiaSorin Group's carries out its commitments:

- focusing on EHS-related topics in business planning and decision-making processes;
- complying with all applicable laws on the matter;

- informing and raising awareness among DiaSorin employees on the best practices to be implemented and on DiaSorin commitment to implement its Policy;
- providing regular employee training on applicable law requirements and on the Group's EHS guidelines and on the application of the best available technologies (BAT);
- ensuring healthy and safe workplaces for employees, visitors, suppliers/contractors;
- managing all aspects of its business for an effective and efficient use of natural resources;
- developing and implementing the "Group EHS Minimum Requirements" (for further details see paragraph below) and measuring relevant performance;
- continuously improving purchasing policy to support suppliers and contractors to achieve the Company EHS Policy objectives;
- promoting and implementing waste reduction and recycling.

9.3 The instruments adopted

The following provides the DiaSorin Group's main instruments for risk management (or where applicable, to address opportunities) as detailed in paragraph "Identification of risks and opportunity" in relation to EHS issues or, where applicable, to address opportunities.

As the Group has always attached great importance to the EHS topics, in the period 2012-2017 DiaSorin joined the Investor Carbon Disclosure Project (CDP), on a voluntary basis, disclosing company information through CDP questionnaire. In the 2017 financial statements, the same information is made public through the Non-Financial Statement.

Definition and implementation of the "Group Environment Health & Safety (EHS) Minimum Requirements

To ensure a constant level of attention and a proper management of the EHS-related risks, DiaSorin implemented the Group Procedure "**Group Environment Health & Safety (EHS) Minimum Requirements**" described in the EHS Policy as a tool to implement the DiaSorin Group commitment towards EHS topics.

The Procedure has been prepared taking into account the EHS regulatory requirements and the industry best practices implemented within the DiaSorin Group. The document sets forth the minimum requirements each Group company has to comply with in relation to environment, health and safety (referred to as "**EHS minimum requirements**") to minimize negative impacts on health and safety of employees, visitors, suppliers or contractors as well as on business activities. The Procedure specifies that where regulatory requirements are more stringent than those of the EHS Minimum Requirements, DiaSorin shall apply regulatory requirements currently in force; conversely EHS Minimum requirements shall prevail.

The Procedure applies to all DiaSorin commercial and manufacturing facilities. Each DiaSorin Group company assesses EHS Minimum Requirements to apply to its own facility: the applicability analysis is revised on a regular basis to determine if requirements deemed not to be applicable may now be relevant for the Company (due to organizational and process changes etc.). EHS staff of each Company, on the basis of the applicability analysis, has the task to provide adequate documents (i.e.,

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guidelines, policies, procedures, etc.) for the specific regulations of applicable EHS Minimum Requirements.

Contents of the Procedure define the objectives to be achieved and the guidelines to be implemented in relation to the following aspects:

- *General aspects concerning the EHS Management System (*commitment to implementing the System and Minimum Requirements, definition of the EHS structure and responsibilities, compliance with local regulations, measurement and monitoring of the Key Performance Indicators, training and awareness, internal communication);
- *specific aspects applicable to EHS* (e.g., operational controls, preventive maintenance, emergency management, accident analysis and management, management of suppliers and contractors, audit activities, management of chemical or hazardous substances);
- specific aspects concerning Health and Safety-related risks (e.g., confined areas, electrical risk, noise, fire, etc.);
- *specific aspects concerning the Environment* (e.g., emissions, water withdrawal and discharge, waste disposal).

Audit activities

The Corporate EHS Function carries out audits on a regular basis to ensure that the EHS Minimum Requirements are properly assessed and, where appropriate, implemented in all Group companies. Corporate EHS Function performs regular on-site audits across the Group subsidiaries, both in manufacturing and commercial subsidiaries that are selected in rotation and according to business priorities.

The objective of audits is verifying that all Group Companies comply with applicable regulations and the EHS Minimum Requirements and identifying areas where an improvement is achievable, through the analysis of documents drafted locally and spot checks on facilities being audited.

Audit findings are reported through relevant Audit Reports. The local EHS staff is in charge of developing specific plans and identifying corrective actions to fill any gap that will be subsequently monitored by the Corporate EHS Function during its following audits.

The audits of the Corporate EHS Functions were carried out regularly in 2019. Following the pandemic emergency, in 2020 and 2021 audits were not carried out due to the restrictions imposed on travel across the different areas where the Group's activities are located. Nonetheless, the self-audit activities carried out independently by each site continued and no critical issue was found. For 2022, consistently with the pandemic evolution, the Corporate EHS Function will resume its audit activities.

Training activities

Local EHS staff is responsible for employee training on EHS-related matters and has the task to ensure compliance with local applicable regulations (e.g., mandatory training concerning health and safety at the workplace).

According to EHS Minimum Requirements, the following applies:

- training upon recruitment;
- specific training on job-related responsibilities and dangers (e.g., use of chemicals, confined areas, etc.);
- regular training updates;
- Training whenever changes occur in the process or machinery or equipment used by employees;
- training whenever changes occur in duties or role.

It should be noted that, for each course provided, learning tests are carried out to assess knowledge and skills.
The training activities described above must be adequately tracked. Training activities and the relevant documents are subject to spot checks during the audit activity described above.

Following the pandemic emergency, in 2020 and 2021 training activities continued mainly remotely.

Engagement of the EHS Function in the development/update of processes

According to the EHS Minimum Requirements, the local EHS Function supervises the manufacturing facilities over the introduction of new processes or changes in the existing ones (e.g., introduction of new instruments/machineries, use of new chemicals).

The EHS local staff is in charge of carrying out an analysis of the EHS-related risks associated with processes that are being defined and updated and establishing the measures required for the management of identified risks (e.g., replacement of hazardous substances).

In assessing and mapping the risks the EHS Function works with the occupational doctor and other specific Functions who, through the identification of probability and impact, provide an in-depth understanding of all the implications of the processes analyzed. Among these functions there is the Production Function. This process is valid for the whole DiaSorin Group.

The involvement of the EHS Function in the development and updating process is subject to audit as described above.

In order to continuously update and develop the processes, the employees are asked to report any dangerous situations they become aware of during their work. In addition to monitoring the hazardous occurrences reported by employees and the relevant functions, the DiaSorin Group conducts specific investigations in the event of accidents or 'near miss' episodes, in order to understand the causes behind such episodes and implement the appropriate corrective actions. Accidents and near miss episodes are shared at Group level in order to prevent the occurrence of similar cases in other Group's sites and share the so-called 'best practices'.

Environmental protection and the development of dedicated projects

The Group implemented several actions to reduce waste, by promoting separate waste collection and, where possible, reuse and recycle. Special attention is paid to energy and water consumption and use of high-efficient technology.

Several improvement projects were implemented in 2021 to make employees aware of the importance of Environmental Sustainability.

The 'Plastic Free' project was launched in 2020 and continued throughout 2021 with the aim of eliminating single-use plastic. The project envisaged several initiatives, including water dispensers, while equipping all employees with water-bottles for personal use; replacing the cups of the automatic drink dispensers with compostable cups; the use, in the meeting rooms, of glass water bottles that can be reused and catering material (glasses, plates and more) and the use of compostable tableware.

In 2020 and throughout 2021, the Group promoted separate waste collection in the office areas. In order to raise awareness on paper waste the Group adopted a System to use printers through badges and individual code.

Again, in the field of waste management, the Company introduced reusable containers for waste disposal in some manufacturing facilities and rules for the appropriate segregation of waste streams to ensure effective separate collection.

The project to introduce hybrid cars continued when the Company renewed part of its company fleet, in order to reduce the environmental impact of company transport. The initiative also saw the installation of charging stations for electric cars, which took place in 2020 at the Italian offices and was extended during 2021 to other Group's sites. In addition, a carpooling initiative was planned for the Italian offices, even though it was interrupted in 2020 due to the restrictions imposed by the emergency and relaunched in 2021 in compliance with current regulations.

Lastly, the Group’s facilities adopted low-consumption lighting, light sensor switch, and energy-efficient equipment, in particular ventilation, heating and air conditioning systems, in order to reduce energy consumption.

9.4 Results

The EHS performance data reported below include all the DiaSorin Group’s companies, both production sites and commercial offices. 2021 include data for the July-December period relating to manufacturing facilities and research centers acquired from the Luminex Group, as specified in the note on methodology of this Report.

Subsidiaries’ energy consumptions for electricity, heating and water were reported except in cases where data was not available. In these cases - since these are consumption quantities that do not impact the overall value - an estimated consumption value was reported, when possible. These are, for example, small-sized rented premises, where these costs are included in the regular fee paid.

Energy consumption

	2019			2020			2021		
Consumption [GJ]	**Renewable source**	**Non-renewable source**	**Total**	**Renewable source**	**Non-renewable source**	**Total**	**Renewable source**	**Non-renewable source**	**Total**
Consumption resulting from combustion of Natural Gas and other fuels	-	63,056	**63,056**	-	52,836	52,836	-	59,591	**59,591**

Electricity consumption	22,028	60,732	**82,760**	13,802	63,797	**77,599**	9,483	96,761	**106,244**
Consumption from purchasing of thermal energy	-	-	-	-	-	-	-	-	-
TOTAL	**22,028**	**123,788**	**145,816**	**13,802**	**116,633**	**130,435**	**9,483**	**156,353**	**165,835**
%	**15.1%**	**84.9%**	-	**10.6 %**	**89.4%**	-	**5.7%**	**94.3%**	-

Disclosure 302-1 Energy consumption within the organization of GRI Standard 302: Energy 2016.
With reference to the data in the table above, the conversion factors provided for by the Environmental Indicator Protocols published on the Global Reporting Initiative website were used for the conversion into GJ of the consumption of the year 2019. Starting from 2020, the Company used conversion factors published by DEFRA - UK Government GHG Conversion Factors for Company Reporting.

The data relating to the share of renewable electricity derives from the information available on the energy mix declared by the providers.
The analysis of the last three-year data shows a downward trend for the 2019-2020 reporting period and, as expected, an increase in energy consumption as a result of the consolidation of the consumption data of the Luminex facilities.

Water withdrawals

	Withdrawals [m3]		
Source	**2019**	**2020**	**2021**
Water supplies	48,109	45,658	47,848
Ground water	62,027	43,836	83,036
TOTAL	**110,136**	**89,494**	**130,884**
in water stress areas*	**6,972**	**10,033**	**7,663**

Disclosure 303-3 Water withdrawal of GRI Standard 303: Water and effluents 20187427,71

(*) The request for disclosure relating to withdrawals from water-stressed areas was introduced for the first time in the 2020 reporting following the update of the reference GRI Standard. Using the World Resources Institute's Aqueduct Water Risk Atlas tool, the location of the production sites of the DiaSorin Group was analyzed to verify their location in areas subject to water stress, or with "Water Stress" values equal to "High" or higher. From the analysis it emerged that the only area located in a "Water Stress" area with a "High" value is represented by the DiaSorin USA, Cypress plant, for which the details of the withdrawals have been shown in the table. All other sites are located in areas with lower "Water stress" values.

As anticipated, the DiaSorin Group does not define specific risks relating to the management of water resources since, based on the business in which it operates, its activities do not involve a significant water consumption. In fact, the water withdrawn is only minimally consumed within the production process for the production of the reagents.
All wastewater discharges take place in full compliance with local laws and regulations, ensuring the quality of the discharged water in accordance with the requirements of the receiving bodies of water.
Reduction in consumption occurred in the 2019-2020 reporting period. In 2021, with regard to water supply consumption and following the consolidation of Luminex facilities consumption, the consumption figure did not increase significantly. The increase in underground water consumption

was due to the installation of consumption measurement systems that allowed a more accurate data collection.

Emissions

The following provides data of the DiaSorin Group emissions classified into:

- Scope 1 emissions are direct emissions from the combustion of fuel to generate thermal energy for heating system or for production process, for vehicles and refrigerant gas emissions) [8]
- Scope 2 emissions connected to electricity consumption from non-renewable sources and purchasing of thermal energy, as well as heating system consumption at facilities that operate in rented premises.

With reference to the data in the tables below, starting from 2020, data on consumption of fuels such as methane gas, diesel, petrol and LPG was calculated by applying the emission conversion factors published by DEFRA- UK Government GHG Conversion Factors for Company Reporting 2020. For the conversion of electricity, the reference "International Comparisons 2018" produced by Terna was used as the latest update available. It is also specified that, with reference to the electricity of the commercial subsidiaries - equal to 1.9% of the total Group consumption - the Global Factor was used instead of the national reference factor. For the conversion to tCO2eq of the year 2019, the Company used the conversion factors provided for by the GHG Protocol.

Emissions [tCO2eq]	**2019**	**2020**	**2021**
	2,902	**2,761**	**3,204**

Disclosure 305-1 Direct (Scope 1) GHG emissions of the GRI Standard 305: Emissions 2016

Emissions [tCO2eq]	**2019**	**2020**	**2021**
	10,289	**8,406**	**10,938**

Disclosure 305-2 Energy indirect (Scope 2) GHG emissions of the GRI Standard 305: Emissions 2016

Waste

The DiaSorin Group pays great attention to the management of waste produced at the company's premises and therefore has adopted an approach aimed at finding solutions to reduce waste. When this is not possible, careful waste segregation and disposal are implemented, preferring recycling and reusing activities.

In general, given the nature of the Group's activities and the types of waste produced (described in detail below), as provided in paragraph 3 relating to risk management, DiaSorin identifies the risk of

[8] In its production process, the Group does not use ozone-depleting substances in its manufacturing processes: these substances are contained in air conditioning/cooling systems and any release into the atmosphere is linked to possible failures

non-compliance with current laws and if waste is not properly managed it could have negative environmental impact.

To mitigate these risks, the Group adopts the following systems:

- DiaSorin tracks the amount of waste generated by its activities and classifies and manages it in line with applicable regulations in each country where it operates, providing for the adoption of specific management procedures for each site. Such procedures, where necessary, provide for the chemical analysis of waste for a correct classification.
- Waste generated by the Company is collected and classified according to the regulations in force in the different countries and managed by third party waste management facilities. Since the DiaSorin Group is responsible for proper waste disposal, the Company carries out regular audits on the off-site disposal facilities, to verify the adequacy of the procedures applied. During the pandemic emergency, these activities were carried out with less intensity to cope with the restrictions imposed by the pandemic.

The following tables refer to hazardous and non-hazardous waste generated by the DiaSorin Group, excluding WEEE (Waste electrical and electronic equipment) that are reported in detail in a specific table.

	Waste produced (excluding WEEE) [t]		
Waste by type	**2019**	**2020**	**2021**
Hazardous waste	224	199	479
Non-hazardous waste	1,410	1,235	2,596
TOTAL	**1,634**	**1,434**	**3,076**

Disclosure 306-3 Waste generated of GRI Standard 306: Waste 2020

	Waste produced (excluding WEEE) [t]		
Waste by destination	**2019**	**2020**	**2021**
Re-use/recycling/recovery	**51.2%**	**48.1%**	**33.4%**
Disposal	**48.8%**	**51.9%**	**66.6%**

The item "Disposal" includes the following categories by destination: incineration, landfill and other types of disposal. With refence to quantity, waste by type and destination, a significant impact is recorded in 2021, mainly due to the consolidation of the waste quantity generated by Luminex's premises. With regard to the waste quantity generated by Luminex's premises, it should be noted that it has not always been possible to measure these values and, thus, waste quantity really produced could have been overestimated. In next year's report, information is expected to be consolidated more accurately.

The following table details waste produced by manufacturing facilities, broken down by type of disposal according to hazardous or non-hazardous waste.

	Waste produced by industrial sites (excluding AEAS) [t] (*)		
Waste by type	**2019**	**2020**	**2021**
HAZARDOUS WASTE			**478,51**
Re-use/recycling/recovery			
of which intended for re-use			0,51
of which intended for recycling			0,61
of which intended for other recovery operations			0,00
Disposal			
of which intended for incineration (with energy recovery)			17,54
of which intended for incineration (without energy recovery)			90,14
of which intended for landfill			6,46
of which intended for other disposal operations			363,26
NON-HAZARDOUS WASTE			**2.587,95**
Re-use/recycling/recovery			
of which intended for re-use			4,63
of which intended for recycling			718,86
of which intended for other recovery operations			0,00
Disposal			
of which intended for incineration (with energy recovery)			271,88
of which intended for incineration (without energy recovery)			45,46
of which intended for landfill			1.349,54
of which intended for other disposal operations			197,59
TOTAL			**3.066,46**

Disclosure 306-4 Waste diverted from disposal & Disclosure 306-5 Waste directed to disposal of GRI Standard 306: Waste 2020

(*) The Disclosure on the details of the types of disposal by waste (hazardous/non-hazardous) has been introduced for the first time in the 2021 reporting, following the update of the reference GRI Standard.

With reference to the WEEE, the following table provides data on quantities produced and relevant treatment. As provided in the following tables, 100% of WEEE is recovered at authorized facilities. The data relating to the quantities of waste produced and their destination changes over the years. This is mainly due to the impact of building renovations relating to Group's premises.

	Waste produced (RAAE) [t]		
Waste by destination	**2019**	**2020**	**2021**

Recovery	31	33	49
Disposal	-	-	-

Environmental compliance

In the three-year reporting period, no significant violation to environmental laws and regulations occurred.

Occupational Health and Safety

In accordance with GRI Standard on Occupational Health and Safety the following should be noted:

- indicators are calculated dividing both the number of injuries and the number of lost workdays by total hours worked and multiplying that number per 1'000'000;
- injuries included in the data refer to all injuries occurred in the Group companies, excluding commuting accidents;
- in the three-year reporting period, no occupational illnesses nor fatalities occurred in the DiaSorin Group's companies.

In 2021, 7 work-related injuries, of which 5 COVID-related injuries, led to absence while 19 work-related injuries did not lead to absence. In the 2019-2021 reporting period, the rate of work-related injuries with workdays lost decreased.

	2019	2020	2021
Number of work-related injuries without workdays lost*		6	19
Number of work-related injuries with workdays lost		8	7
with serious consequences*		0	0
Number of hours worked		3'487'136	4'504'166
Rates of work-related injuries without workdays lost *		1.72	4.22
Rates of work-related injuries with workdays lost	2.55	2.29	1.55
rates of injuries with serious consequences*		0	0
Percentage of work-related injuries with workdays lost on total employees**	0.46%	0.39%	0.20%
Rate of workdays lost due to work-related injuries	38.83	41.58	26.42

Disclosure 403-9 Work-related injuries of GRI Standard 403: Occupational Health & Safety 2018

(*) The disclosure of the number and rate of work-related injuries without workdays lost and with serious consequences was introduced for the first time in the 2020 reporting, following the update of the reference GRI Standard. For this reason, 2019 data is not available.

*(**) Data was integrated to comply with the GRI 403-9 reporting requirements. The indicator represents the ratio of work-related injuries with workdays lost to total Group employees *100. The total number of employees used in the computation is provided in paragraph 8 of the Consolidated Non-Financial Statement.*

10. RELATIONS WITH LOCAL COMMUNITIES

10.1 DiaSorin's commitments and reference principles

As provided in the Code of Conduct of the Group "*DiaSorin is also committed to contributing effectively to promoting the quality of life and social-economic development of the communities where the Group operates and to the development of human capital and local skills while, at the same time, carrying out its business, on internal and external markets, according to methods compatible with sound business practice*".

DiaSorin's commitment to the promotion and socio-economic development of the communities in which it operates is set forth by the Code of Conduct which defines the principles to which the Group companies are required to abide by concerning money or in-kind contributions to support educational, scientific, artistic, cultural, social and humanitarian projects. In particular the Code defines requests for contribution to which the Company may agree and donations that are expressly prohibited (donations to individuals or to profit-making organizations), and the manner by which ensuring full transparency of the donation (the recipient's identity and use of the donation must be clear).

In July 2020 DiaSorin set up Fondazione DiaSorin, a non-profit organization promoting scientific culture among young people and supporting excellence in schools. With a range of action extended to the entire Italian national territory, Fondazione DiaSorin has its own Bylaws that outlines the commitment to initiatives with civic, solidarity and social utility purposes "*in the field of scientific education and professional training through cultural activities of social interest for educational purpose* ". It should be noted that the Foundation does not fall within the scope of consolidation of the DiaSorin Group and, therefore, of this NFS. For more information, see the dedicated focus on the following pages.

10.2 The instruments adopted

In compliance with the principles of the Code of Conduct, DiaSorin actively supports the community in which it operates, with a special focus on Italy and Piedmont, through a series of Corporate projects. These projects are part of the Corporate Social Responsibility (CSR) framework developed at a central level.

DiaSorin carries out its CSR initiatives through projects that aim at furthering passion for **science**, supporting people's **talent** (the two pillars on which the development and success of DiaSorin is based) and achieving a positive **impact** on the environment and on people.

Corporate projects need to be assessed and approved by the Group CEO prior to their implementation.

10.3 The results

The following provides a description of the main Corporate CSR initiatives in 2021. The Mad for Science project, headed by the DiaSorin Group until the first half of 2020, is now entirely managed by Fondazione DiaSorin and therefore is not relevant to this Report.

FISIP

The purpose of the project is promoting local excellence and celebrating talent in all its forms. Between 2016 and 2021, DiaSorin asked the Italian Federation of Paralympic Winter Sports to select talented athletes to represent Italy at the 12th Winter Paralympics in PyeongChang -South Korea. Athletes shortlisted by FISIP carried out their athletic and sports training course with the support of a contribution received from DiaSorin.

Italian athletes achieved important results at the 2018 Paralympics, held between 9 and 18 March in the same venue that hosted the 12th Winter Olympic Games. The national team won giant slalom and slalom (2 gold), snowboard cross and super G (2 silver) and downhill (1 bronze). It was a great success if compared with the previous editions of 2014 Sochi Winter Games, where Italian athletes won no medals.

For this reason, DiaSorin decided to support again this project in the 2019-2022 four-year period, along with the talented athletes that the Italian Federation of Paralympic Winter Sports will select and train to represent Italy in the 2022 Paralympic Games in Beijing.

As was the case in the previous year, in 2021 FISIP continued its training despite the pandemic and in compliance with the rules applied to contain its spread.

The strength of the FISIP lies in its athletes and in the sports clubs that strive to recruit new members and promote winter sports reserved for people with disabilities.

DiaSorin Cup

Recognizing and enhancing human potential, having a positive impact on people's lives and being an active part of local communities: this is why DiaSorin has been sponsoring the world championship of sitting volleyball since 2016. Organized by Sitting Volley Chieri, DiaSorin Sitting Volley Cup is a sporting event dedicated exclusively to Paralympic athletes and attracts every year to Chieri a hundred players ready to challenge the field with passion and talent. A competition that celebrates the strength of inclusion and the universality of sport, demonstrating how much the desire to improve and willpower make us all alike, close, unique.

Now in its fifth edition, in 2021 the DiaSorin Sitting Volley Cup turned into the first "All Star Game" of Italian sitting volleyball, the first Italian sitting event completely reserved to Paralympic players.

Pinocchio Project

Every year the Project for Hospitals & Childhood – Pinocchio Project is committed to promoting an initiative on the Italian territory with the aim of improving the quality of life of children within hospital settings, in the areas of education, medical care and diagnostic tests through the support of some sponsor companies, among which DiaSorin is a "major donor".

In 2015, DiaSorin undertook to provide 60 hospital teachers operating in Piedmont and their students with a supply of tablets and technological devices. This initiative aims at creating a bridge between the healthcare and school systems.

In 2016, the partners involved in the project financed the aesthetic and chromatic restyle of the CT Scan room in the Regina Margherita hospital in Turin, to make the environments cozier and cheerful and the experience of the radiological procedure less traumatic, also thanks to the use of sophisticated films on diagnostic machinery. The results obtained are good and show the decrease in cases in which sedation is required before the radiological procedure.

In 2019, the restyling of the MRI room at the Giannina Gaslini Institute, better known as the Gaslini Hospital in Genoa, continued.

DiaSorin involved The Walt Disney Company in the restyling initiative and the company contributed to the project decorating the MRI room with characters of Toy Story 4 by Disney-Pixar.

In 2020, DiaSorin completed its third project aimed at "humanizing" children's hospitals, by donating a portable and personalized X-ray machine, nicknamed “Dr. Giraffe” to the Regina Margherita Children's Hospital in Turin’s “City of Health”. The x-ray machine looks like a friendly female giraffe for a more child-friendly radiological diagnostic experience.

In 2021, Pinocchio Project continued with the donation of a portable autorefractor personalized to look like a mouse and nicknamed “Doctor Topo LINO” to the Gaslini Institute of Genoa. This instrument is essential for the calculation of the intraocular lens to be implanted at the time of cataract surgeries and for the evaluation of refractive errors of young patients. The kid-friendly instrument helps create a more familiar diagnostic environment and is part of the hospitals' humanization path to make young patient care more and more serene.

Projects worldwide

Consistently with Corporate CSR criteria to support local initiatives, again in 2021, the Group's companies implemented several CSR initiatives in local communities, giving priority to actions and funding that had a positive impact on people's health and well-being in local communities where the Group operates.

With respect to the CSR pillar involving passion for science and knowledge, the Group supported several scientific events and symposia aimed at improving medical research.

Lastly, as to CSR Pillar focused on supporting people's talent, DiaSorin implemented specific projects to support scientific talents' education at universities and research poles.

Due to the spread of the COVID-19 pandemic, several annual initiatives have changed their format and objectives in terms of support to local communities. Group companies actively engaged in supporting local communities that have been hit hard by the pandemic.

North America

The DiaSorin Group's subsidiaries, DiaSorin Inc., DiaSorin Molecular, LLC. and Luminex actively engaged in fundraisings to support the most compelling needs of local communities and fostered, at the same time, different scientific projects at local High Schools. The following provides a summary of the initiatives in the U.S.:

1. DiaSorin Inc. Stillwater, Minnesota USA

"Boo Bash 2021 - Home for Life Animal Sanctuary e NAMI (National Alliance for Mental Illnes": fundraising to support two local associations. The first one, "Home for Life Animal Sanctuary", is an association founded in 1883 to promote a culture of respect for others and animals through training, support and service projects. The second association supported by Boo Bash 2021 donations was NAMI, an organization that offers support, education and awareness services with the aim of creating an environment in which people with mental illnesses and their families can build a better life.
"Community Thread Holiday Hope Event": donation to the Community Thread association which, every year during the Christmas holidays, supports low-income families, elderly people and lonely people with disabilities. Each of them is matched with a sponsor responsible for selecting and purchasing Christmas gifts and financing their meals for the holiday period.
"STEMlink": participation of colleagues in events with input and initiatives to give visibility to the world of work and to the applications of stem disciplines for students in lower secondary schools.
Stuff the Bus: Community Thread & United Way": program to support scientific education in Stillwater schools. The initiative actively involved DiaSorin Inc. employees through a fundraising for scientific school departments. Due to the pandemic, the team used an online donation site for the 2021 edition, thanks to which DiaSorin employees could donate and offer their support to Community Thread to help them prepare and organize donations – according to the different age of children- so that they were picked up ready at a special "Drive-in".
"Meals from the Heart" - DiaSorin has been offering support to this association in Stillwater, Minnesota since 2019. The association provides decent meals in the city's most deprived neighborhoods, while creating opportunities for those who want to serve at the association. In 2021, the initiative involved DiaSorin, Inc.'s employees who prepared and packaged the meals.
"Family Means": a non-profit association founded in 1963 in Stillwater that offers several services, focused on supporting families in need. In 2021, DiaSorin, Inc. contributed to the association's activities with a donation.
"MN Science Quiz Bowl & Science & Engineering Fair": educational project to support Education of Excellence in collaboration with Minnesota Academy of Science (MAS). Every year MAS organizes 2 regional science competitions in Minnesota; specifically, the first competition is for middle school students and the second is for High Schoolers. In qualification competitions, teams of students are required to solve technical problems and answer fast-paced questions about science and math, like in tv shows. Winning teams will represent Minnesota in the "National Science Bowl" competition, promoted by the U.S. Energy Department in Washington, D.C.
"Chamber of Commerce World Snow Sculpting Tournament": DiaSorin, Inc. in 2021 funded the local Chamber of Commerce-sponsored snow sculpture competition involving artists from around the world.
"Chamber of Commerce Fire & Ice Winter Social": DiaSorin, Inc. in 2021 funded the "Fire & Ice" event sponsored by the local Chamber of Commerce. The event aimed at attracting tourism to the city of Stillwater, through a hot air balloon event that offered the opportunity to see the historic city center from above.
"United Way of Washington County East - Community Leadership Breakfast": DiaSorin, Inc. in 2021 sponsored a table with 8 management representatives who offered tutoring and support to Minnesota's young talents, to foster the spread of stem culture.
Funding of two scholarships for the 8 most deserving students identified by the Human Resources of DiaSorin Inc.
"The Partnership Plan": sponsorship of the project supporting teaching of "STEM" subjects. The project is managed by the "The Partnership Plan" association, an active organization in the promotion of learning tools through first-hand experiences for young people in the community. In particular, in 2021, the sponsored project focused on the participation in the NASA competition entitled "Human Exploration Rover", which allows students to have a direct experience in the world of applied sciences.
"River Falls Sci Tech" at the University of Wisconsin: initiative 2021, DiaSorin Inc. made a donation to the university to finance the "Science and Technology Innovation Center", a hub that will offer cutting-edge training experiences, to connect local companies with the talents of the university.

“Mardi Gras Youth Alliance”: in 2021 DiaSorin, Inc. funded the initiative promoted by the Mardi Gras Youth Alliance, which aims at supporting children, among others, in music and applied arts and information technology.

2. DiaSorin Molecular, Cypress California, USA
"*U.C. Irvine Dean's Leadership Program*": Michelle Tabb, Chief Scientific Officer of DiaSorin Molecular, was invited to become a member of the Dean's Leadership Program, which aims at improving the quality of degree courses and help university talents stand out in the world of work.
"Chapman University Career Talk & Discussion": DiaSorin Molecular, in the person of Michelle Tabb, was invited to participate in the event organized by Chapman University, to describe the DiaSorin Molecular's business and the projects implemented by the company in response to the pandemic COVID-19. The event was reserved to Biochemistry and Molecular Biology students.
“American Red Cross Blood Drive”: setting up of a blood collection and donation unit at the headquarters of DiaSorin Molecular, thanks to which 22 donations were made by employees, thus saving the lives of 66 people.

3. Luminex
“Run for the Cure”: Luminex employees from Toronto, Canada participated in the running race organized by “Race for the Cure”, an international body that raises funds for breast cancer research.
"Virtual Kahoot Challenge": fundraising in favor of the Food Bank, organized by Luminex's employees at the headquarters in Toronto (Canada).
“Cystic Fibrosis Walk”: employees of Luminex's Toronto headquarters participated in the annual march and fundraising organized by the Cystic Fibrosis Canada association, to fund research and raise awareness about a disease that affects more than 4,000 children in Canada.

China

In China, in accordance with the Talent Pillar, DiaSorin supports the most deserving students providing scholarships to the Shanghai University.

Focus: Fondazione DiaSorin

Acknowledging the crucial role of Science and Technology for the progress of society, the School educational mission, which is a breeding ground of the young generations and future scientists, and with the aim of expanding the positive effect of the projects developed to support talents and promoting science, in July 2020 the Group set up Fondazione DiaSorin, of which DiaSorin SpA is the primary funder.

Fondazione DiaSorin operates on the entire national territory and stems from the Mad for Science success. The main objective of the Foundation is investing on the combination "Science and Young", bringing students closer to science (especially life sciences) and stimulating their interest in scientific disciplines and careers.

Fondazione DiaSorin is a tangible manifestation of DiaSorin’s S.p.A. commitment to young generations and to the world of education. Through the Mad for Science project that is at the hearth of the Foundation, Fondazione DiaSorin intends to promote scientific culture, developing and supporting projects that actively engage students and teachers in the world of science.

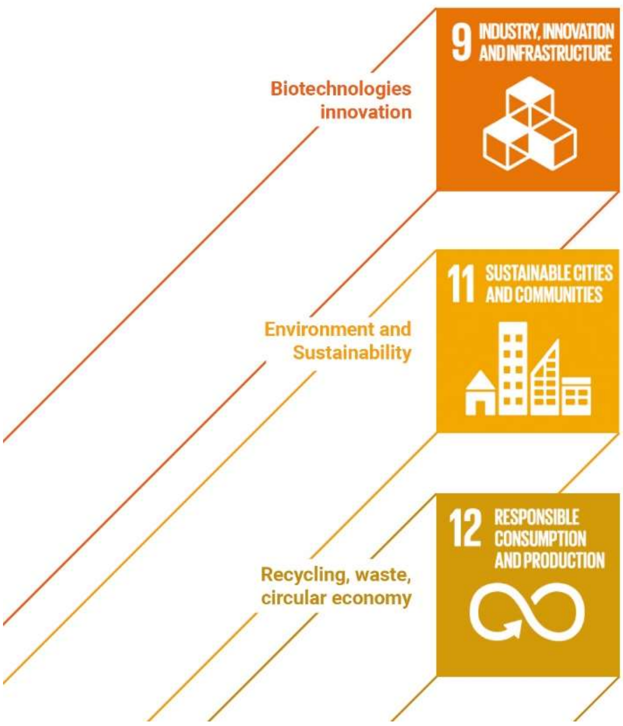
In 2021, the initiatives promoted and the goals achieved by Fondazione DiaSorin are:

a. The Mad for Science project
b. The round table " Science, nurturing passion in classrooms"
c. Agreement protocol with the Ministry of Education

a. The Mad for Science project

The main project of Fondazione DiaSorin is Mad for Science, a national challenge developed and promoted by DiaSorin S.p.A until the 2020 edition. Today the project is sponsored by the Foundation and supports the study of Life Sciences with an approach that focuses on the role of school laboratory, a concrete and effective tool to motivate students to study, understand and apply scientific concepts through first-hand experience. The objective of the challenge is the development of laboratory experiences in relation to the theme proposed to engage students in STEM disciplines, strengthening their critical thinking skills, autonomy and ability to work in a team.

In 2021, the Challenge included science schools and was extended to classics schools with biology/biomedical options. Students were provided the opportunity to see their commitment and experimental design hours acknowledged in the PCTO- Pathway for Transversal Skills and Orientation (former school-work program).



In the 2021 edition, Fondazione DiaSorin invited High Schools to reflect on the “Regenerating the future" theme and, in particular, on some of the sustainable development goals of the UN 2030 Agenda: ensure sustainable production and consumption patterns (SDG 12), innovation linked to scientific and technological research (SDG 9) sustainable cities and communities (SDG 11). Each High School with a team of 5 students and a science teacher developed a project in collaboration with a local scientific body. Among the applications received, an external jury and, subsequently, an internal DiaSorin jury (made up of Research and Development experts), evaluated the scientific proposals on the basis of criteria related to feasibility, coherence with the theme, innovation and originality of the proposal, shortlisting the 8 finalist teams of the Mad for Science Challenge. The final was held on October 7 ,2021, live streaming on the Fondazione DiaSorin Facebook channel. While schools participated remotely, Fondazione DiaSorin's jury and guests were in attendance at the “A. Vivaldi” Auditorium in Turin. The Jury, made up of authoritative members of the world of Academia of scientific community and communication, awarded the first prize of 50,000 euros to "Valsalice" Scientific High School in Turin, for the implementation of its own biolaboratory, in addition to 5,000 thousand euros per year for the following 5 years for the purchase of reagents and consumables. Valsalice High School presented the project "Passion for Science spins fast" that analyzes the advantages of bioconversion by farming black soldier flies on school meal waste compared to composting. The second prize, for an amount equal to 25,000 euros for the implementation of its own laboratory in addition to 2,500 euros per year for the following 5 years for the purchase of reagents and consumables, was awarded to the "Guglielmo Marconi" High School in Pesaro with its "Mnemiopsisis leidyi: from alien marine species to resource". Project involves the synthesis of collagen to create biodegradable polymers from a marine species altering the Adriatic marine ecosystems. Finally, the "Enrico Fermi" High School in Bologna won the special Environment Prize, which consists of the supply of instruments and reagents for an amount of 15,000 euros, with project "AgriLab: molecular and traditional biotechnologies for urban ecology". The project focuses on the creation of a metropolitan bio laboratory with spaces both inside and outside the school in which to develop solutions for safeguarding the environment, such as the planting of a bambusetum to capture atmospheric CO_2 deriving from construction of hydroponic greenhouses controlled through Arduino system. Finally, to reward the enormous effort of the finalist schools in such a complex context as the one generated by the COVID-19 pandemic, Fondazione DiaSorin awarded the Finalists Prize in the amount of 10,000 euros to the 5 finalist high schools that ranked from fourth to eighth place. The Prize was awarded to "Ettore Majorana" scientific high school in Sessa Aurunca (CE), the "Galileo Galilei" scientific high school in Trieste, the "Facchetti" Institute in Treviglio (BG), the "Alessandro Volta" scientific high school in Foggia and the "Guglielmo Marconi" scientific high school in San Gavino Monreale (SU).

b. The round table " Science, nurturing passion in classrooms"

With the aim of presenting The Mad for Science project and reflecting on strategies to improve the acquisition of scientific skills for students, engaging young people in science, Fondazione DiaSorin organized and promoted the round table "Science, nurturing passion in classrooms" The event was held on June 11, 2021 in live streaming and saw the participation of Giorgio De Rita, General Secretary of Fondazione CENSIS, Anna Brancaccio, Director of the Ministry of Education, General Management for school systems, the evaluation and internationalization of the national education system, Francesca Pasinelli, Chairman of Fondazione DiaSorin and General Manager of Fondazione Telethon and Carlo Rosa, CEO of the DiaSorin Group. The initiative was followed by about 200 science teachers and school managers of Italian upper secondary schools. The round table is available on the Fondazione DiaSorin YouTube channel.

c. Agreement Protocol Fondazione DiaSorin - Ministry of Education

On December 3, 2021 Fondazione DiaSorin and the Ministry of Education signed an agreement protocol to promote the value of science and research in upper secondary schools, support teacher training and bring the young closer to research. The agreement, which will be valid for three years, will foster research and the experimentation of new learning and teaching processes, focused on the use of laboratory experiences. Both Fondazione DiaSorin and the Ministry of Education, in fact, acknowledge the importance of hands-on experiments: "doing Science" in school laboratories help students understand not only how biological phenomena work, but also the value and impact of science in everyday life. The agreement protocol, which is available on the Foundation's website, will enable Fondazione DiaSorin to promote the Mad for Science challenge in upper secondary schools throughout Italy and to implement training courses and exchange of good practices on teaching science for the teachers of the Challenge winning schools. The objectives of the agreement include the collaboration among schools, universities, scientific communities and institutions operating in scientific fields, helping young students get in touch with experiences that may be an inspiration towards scientific careers.

11. CORRELATION TABLE BETWEEN LEGISLATIVE DECREE 254/16 AND MATERIAL TOPICS

Topic as per Leg. Decree 254/2016	Material Topic	Risks identified	Policies adopted	Indicators	Reporting scope	Details on the methodology and any omissions as regards GRI requirements
ENVIRONMENTAL	Environmental management (waste management, energy efficiency, emissions, management of water resources)	See chapter 3 "Identification of risks and opportunities", paragraph 3.7 "Topics relating to environmental management"	See chapter 9 "Environment, Health and Safety"	*GRI Standard 103 "Management approach 2016"* • Disclosure 103-1: Explanation of the material topic and its Boundary • Disclosure 103-2: The management approach and its components • Disclosure 103-3: Evaluation of the management approach *GRI Standard 302 "Energy 2016":* • Disclosure 302-1: Energy consumption within the organization *GRI Standard 303 "Water and effluents 2018":* • Disclosure 303-1: Interactions with water as a shared resource • Disclosure 303-2: Management of water discharge-related impacts • Disclosure 303-3: Water withdrawal *GRI Standard 305 "Emissions 2016":* • Disclosure 305-1: Direct (Scope 1) GHG emissions • Disclosure 305-2: Energy indirect (Scope 2) GHG emissions *GRI Standard 306 " Waste 2020":* • Disclosure 306-1: Waste generation and significant waste-related impacts • Disclosure 306-2 Management of significant waste-related impacts	Data collection and reporting include all Group's companies, including commercial subsidiaries. Subsidiaries data for consumption and waste are included in the scope of consolidation, except where data are not available because they are included in service expenses or as for small sized rented premises where such expenses are included in periodic costs and cannot be unbundled.	*Disclosures 302-1 / 305-1 / 305-2:* - Energy consumption data (Disclosure 302-1) have been prepared using conversion factors adopted by the Environmental Indicators Protocols issued by the Global Reporting Initiative - Emissions data (Disclosure 305-1 and 305-2) of manufacturing facilities have been prepared using conversion factors adopted by the GHG Protocol Standard - Computation of Scope 1 emissions includes direct emissions from the combustion of fuel to generate thermal energy for heating system or for production processes, for vehicles and refrigerant gas emissions. - Computation of Scope 2 includes emissions connected to electricity consumption from renewable and non-renewable sources and purchase of thermal energy, as well as heating system at the Italian headquarter where such expenditure is included among common costs. Electricity consumption from renewable sources have been integrated in the computation starting from 2020, thus updating, unlike past reporting, also 2018 and 2019 data. - Electricity consumption was broken down into renewable and non-renewable sources, on the basis of the composition of the energetic mix used for the electricity produced from suppliers (where expressly indicated in the electricity bill). *Disclosures 303-3:* Data on water consumption have been collected from information provided in the electricity bills or, where available, from

				• Disclosure 306-3: Waste generated • Disclosure 306-4: Waste diverted from disposal • Disclosure 306-5: Waste directed to disposal *GRI Standard 307 "Environmental Compliance":* • Disclosure 307-1: Noncompliance with environmental laws and regulations		communication by owners of premises and /or bodies responsible for managing common expenses. The disclosure concerning withdrawals from water-stressed areas was introduced for the first time in the 2020 reporting following the update of the reference GRI Standard. For this reason, 2019 data are not available. *Disclosure 306-4 / 306-5:* - These indicators are reported for waste of those manufacturing facilities that generate most of the waste. The percentage of waste by "Re-use/recycle/recovery" and "Disposal" categories was calculated on the basis of available information on disposal methods (information provided by transporters/waste disposal operators on the waste destination and, where applicable, indications contained in the accompanying documents).
SOCIAL	Relations with local communities	See chapter 3 "Identification of risks and opportunities", paragraph 3.6 "Social topics and respect for human rights"	See chapter 10 "Relations with local communities"	*GRI Standard 103 "Management approach 2016"* • Disclosure 103-1: Explanation of the material topic and its Boundary • Disclosure 103-2: The management approach and its components • Disclosure 103-3: Evaluation of the management approach Even though the Group does not report figure-based indicators and/or associated with GRI Disclosure on this matter, the document describes qualitatively the most relevant initiatives that are developed or promoted by the Parent Company and subsidiaries in the three-year reporting period and having a positive impact on local	The scope of data collection on social initiatives was extended to all Group companies, in addition to corporate initiatives The Group reported the most relevant local initiatives developed by Group's companies on the basis of the CSR criteria that have been defined at central level to support local initiatives.	N/A

				communities where the Group operates.		
	Research, innovation and technological excellence	See chapter 3 “Identification of risks and opportunities”, paragraph 3.4 "Topics concerning research, innovation and technological excellence	See chapter 7 "Research, innovation and technological excellence"	*GRI Standard 103 “Management approach 2016”* • Disclosure 103-1: Explanation of the material topic and its Boundary • Disclosure 103-2: The management approach and its components • Disclosure 103-3: Evaluation of the management approach Number of outstanding projects at December 31 of each reporting year are classified in the following areas: immunodiagnostics, molecular diagnostics, instruments and in the 4 development phases (pre-feasibility, feasibility, validation, industrialization).	The scope of data includes all Group’s projects in the reference period.	Data in the table are based on the projects classification within the Product Development Master Plan (PDMP) and documents detailing the different stages of the project development.
	Customer satisfaction	See chapter 3 “Identification of risks and opportunities”, paragraph 3.3 “Customer satisfaction”	See chapter 6 "Customer relations and customer satisfaction"	*GRI Standard 103 “Management approach 2016”* • Disclosure 103-1: Explanation of the material topic and its Boundary • Disclosure 103-2: The management approach and its components • Disclosure 103-3: Evaluation of the management approach Even though the Group does not report figure-based indicators and/or associated with GRI Disclosure on this matter, the document describes qualitatively initiatives of customer engagement in 2020 and those scheduled for 2021	The scope includes all Group’s companies	N/A
	Quality of products and processes	See chapter 3 “Identification of risks and opportunities”, paragraph 3.2	See chapter 5 "Quality of products and processes"	*GRI Standard 103 “Management approach 2016”* • Disclosure 103-1: Explanation of the material topic and its Boundary	The scope of data includes manufacturing facilities, where products/services having a direct	The Non-Financial Statement data are determined according to audit plans both at Corporate and local level and audit reports.

		"Quality of products and processes"		• Disclosure 103-2: The management approach and its components • Disclosure 103-3: Evaluation of the management approach Number of audits on critical suppliers in the three-year reporting period classified into Corporate audits and Local audits and related results (possible identification of significant non-compliance in the audit report summarizing audit results).	impact on end product compliance are purchased.	
EMPLOYEES	Employee training and development Employee well-being Diversity and Inclusion	See chapter 3 "Identification of risks and opportunities", paragraph 3.5 "Employee-related topics"	See chapter 8 " Employee management"	*GRI Standard 102 "General Disclosures 2016":* • Disclosure 102-8: Information on employees and other workers *GRI Standard 103 "Management approach 2016"* • Disclosure 103-1: Explanation of the material topic and its Boundary • Disclosure 103-2: The management approach and its components • Disclosure 103-3: Evaluation of the management approach *GRI Standard 404 "Training and Education 2016":* • Disclosure 404-1: Average hours of training per year per employee • Disclosure 404-3: Percentage of employees receiving regular performance and career development reviews *GRI Standard 405 "Diversity and Equal Opportunities 2016":*	Data collection and reporting is extended to all Group companies.	*Disclosure 102-8:* Figures on Company's employees refers to the total workforce at 12/31 of each reporting year. Points a) and c) are reported. *Disclosure 404-1:* Average training hours are determined as the ratio between training hours provided and number of employees at 12/31 of the reporting year. *Disclosure 404-3:* The indicator refers to employees that have a part of variable compensation (i.e., MBO, Incentives), managed through the PMP LEAD program and, more generally, to all employees subject to a formal periodic assessment of the performance. The abovementioned process includes employees hired in the last months of the year even though they have yet to be assessed. *Disclosure 405-1:* Reporting data by gender and age are provided for Group's employees only (information on corporate bodies is

				• Disclosure 405-1: Diversity of governance bodies and employees • Disclosure 405-2: Ratio of basic salary and remuneration of women to men In addition to the above GRI indicators, the DiaSorin Group provides a staff breakdown by education		provided in the Corporate Governance Report and ownership structure) broken down into the three professional categories. Data is reported in absolute value *Disclosure 405-2:* - The ratio of women/men salary was computed adding the monthly wages of the Group's Companies' employees (except for small-sized commercial branches, as staff is composed only of men) converted into euros according to the average exchange rate in local currency in 2021 and divided by the number of employees by professional categories. Then it was calculated ratio of men salary to women salary. - Compared to the Reporting Requirements of GRI Disclosure 405-2, the report provides only the ratio of women/men basic salary. Data apply only to White Collars and Blue Collars. With respect to non-GRI indicator concerning employees by education, data have been collected on the basis of information and documentation provided by employees upon hiring.
	Employment and dialogue with the social partners			*GRI Standard 103 "Management approach 2016"* • Disclosure 103-1: Explanation of the material topic and its Boundary • Disclosure 103-2: The management approach and its components • Disclosure 103-3: Evaluation of the management approach *GRI Standard 102 "General Disclosures 2016":*		*Disclosure 102-41:* Figures were calculated as the ratio of employees covered by collective bargaining agreement to total Group employees. It should be noted that the topic is not applicable to all countries where the Group operates. *Disclosure 401-1:* New hires and turnover rate are determined as the ratio of employees who joined and left the company in the 01/01-

				• Disclosure 102-41: Collective Bargaining Agreements *GRI Standard 401"Employment 2016":* • Disclosure 401-1: New employee hires and employee turnover		12/31 period to the workforce at 12/31 of the year under consideration for Companies in the scope multiplied by 100. New hires rate is presented at Group level (cumulative). With reference to termination rate, figures refer only to the and not data in absolute value. The indicator is not presented with a breakdown by geographical area.
	Health and safety		See chapter 9 “Environment, Health and Safety”	*GRI Standard 103 “Management approach 2016”* • Disclosure 103-1: Explanation of the material topic and its Boundary • Disclosure 103-2: The management approach and its components • Disclosure 103-3: Evaluation of the management approach *GRI Standard 403 "Occupational Health & Safety 2018":* • Disclosure 403-1: Occupational health and safety management system • Disclosure 403-2: Hazard identification, risk assessment, and incident investigation • Disclosure 403-3: Occupational health services • Disclosure 403-4: Worker participation, consultation, and communication on occupational health and safety • Disclosure 403-5: Worker training on occupational health and safety • Disclosure 403-6: Promotion of worker health • Disclosure 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	The scope of the data includes all Group companies	*Disclosure 403-9:* Injury rate and lost day rate indicators are calculated dividing both the number of injuries and the number of lost workdays (calendar days) by total hours worked and multiplying that number per 1'000'000. Commuting accidents are excluded

				• Disclosure 403-9: Work-related injuries In addition to the GRI indicators reported above, the DiaSorin Group also provides the total number of occupational diseases registered by the Group during the year.		
RESPECT FOR HUMAN RIGHTS	N/A	See chapter 3 “Identification of risks and opportunities”, paragraph 3.6 "Social topics and respect for human rights"	See paragraph 3.6 "Social topics and respect for human rights" sub-paragraph 3.6.2 "Respect for human rights"	As described in the paragraph, human rights-associated risks are not deemed relevant for the DiaSorin Group with respect to both company’s employees and external collaborators. For this reason, the Group does not report figure-based indicators and/or associated with GRI Disclosure on this matter. Nevertheless, the paragraph describes the principles contained in the Group Code of Conduct concerning this topic. The Code of Conduct defines relationships with employees, external staff and the supply chain.		
FIGHT AGAINST CORRUPTION	Fight against corruption	See chapter 3 “Identification of risks and opportunities”, paragraph 3.1 "Topics concerning fight against corruption "	See paragraph 4 "Fight against corruption"	*GRI Standard 103 “Management approach 2016”* • Disclosure 103-1: Explanation of the material topic and its Boundary • Disclosure 103-2: The management approach and its components • Disclosure 103-3: Evaluation of the management approach *GRI Standard 205 "Anti-corruption":* • Disclosure 205-2: Communication and training about anti-corruption policies and procedures	The scope of the data includes all Group companies	*Disclosure 205-2:* As to DiaSorin SpA, training on fight against corruption, thus relating to the MedTech Code and Model 231, is included in the induction session for new hires and therefore included in “Disclosure 404-1: Average hours of training per year per employee”. Figures for other Companies include employees involved in communication activities and formal sharing of the principles contained in the Group’s Code of Conduct or other documents relating to anti-corruption (i.e., Commercial Code of Conduct). The indicator is presented in absolute value but is not broken down by geographical area.
CROSS-FUNCTIONAL			See paragraph 2.6 “Tax management”	*GRI Standard 207 “Tax 2019”* • Disclosure 207-1: Approach to tax • Disclosure 207-2: Tax governance, control, and risk management Disclosure 207-3: Stakeholder engagement and management of concerns related to tax • Disclosure 207-4 Country-by-country reporting	The scope of the data includes all Group companies	*Disclosure 207-1:* Aspects reported as referred to points a. i., ii., iii. *Disclosure 207-2:* Aspects reported as referred to points a. i., ii., iii. *Disclosure 207-3:* Aspects reported as referred to points a. i. *Disclosure 207-4:*

				Aspects reported as referred to points a. i., ii., iii, iv, v, vi, vii, viii, ix, x
	See paragraph 2.7 “Taxonomy”	*EU Regulation 2020/852*	See paragraph 2.7 for the activities carried out	

12. GRI 207 DISCLOSURE TABLE - FY 2020

	Revenues from customers	Infra-group Revenues	Profit/loss before tax	Taxes paid ("Cash Basis")	Accrued taxes	Number of employees	Tangible assets
Italy	196,837	329,090	131,902	8,762	29,508	681	152,672
Austria	16,204	34	1,755	257	445	14	2,338
Australia	16,336	69	1,347	753	550	22	5,976
Belgium	18,849	938	2,681	912	686	23	2,176
Brazil	14,801	21	812	324	472	36	3,930
China	42,782	774	1,619	327	429	105	15,732
Czech Republic	6,983	28	519	127	147	14	1,523
Germany	61,811	17,744	4,912	(1,213)	1,500	174	19,708
Spain	33,398	189	3,154	928	706	38	5,186
France	32,788	1,483	2,114	610	844	46	4,182
UK	12,981	14,980	953		176	103	26,490
Mexico	6,994	635	42	169	82	32	3,054
Netherlands	9,501	-	1,143	232	264	6	467
Portugal	2,204	21	110	41	30	2	487
Sweden	14,990	26	209		143	17	792
Switzerland	13,466	18	2,160	88	267	11	1,145
Poland	9,314	31	(168)	18	14	15	2,623
India	3,821	57	(34)			32	1,617
USA	371,005	123,173	177,404	24,133	37,510	727	112,722
Israel	13,427	2	1,463	210	337	15	3,311
Sud Africa	(1,762)	685	(2,096)		136		-
Canada	64	3,622	304	99	109	18	1,325
Ireland	15	95	136		3		-
Singapore		40	63		12	5	
Slovakia	2,304	1	89	113	39	3	425
TOTAL	**899,113**	**493,756**	**332,593**	**36,891**	**74,409**	**2,139**	**367,881**

	Constituent bodies resident in the fiscal jurisdiction	Fiscal jurisdiction of the organization or constituent body if different from fiscal jurisdiction residence	Research & Development	Possession or management of intellectual property	Production	Sale, marketing or distribution	Administrative, management and support services	Dormant
Italy	DIN Limited	Ireland		X				
Italy	DIASORIN SPA		X	X	X	X	X	
Austria	DiaSorin Austria Gmbh					X		
Australia	Diasorin Australia Pty Ltd					X		
Belgium	DiaSorin SA/NV					X		
Brazil	DIASORIN LTDA					X		
China	Diasorin Ltd					X		
Czech Rep.	DiaSorin Czech s.r.o.					X		
Germany	DiaSorin Deutschland GmbH		X		X	X		
Spain	DiaSorin Iberia S.A.					X		
France	DiaSorin SA					X		
UK	DiaSorin Limited					X	X	
UK	DiaSorin S.p.A. UK Branch				X			
Mexico	Diasorin Mexico SA CV					X		
Netherlands	DiaSorin SA/NV Dutch Branch					X		
Portugal	DiaSorin Iberia, S.A. Portugal Branch					X		
Sweden	DiaSorin AB					X		
Switzerland	DiaSorin Switzerland AG					X		

Poland	DiaSorin Polska sp. z o.o.					X		
India	Diasorin Healthcare India Pvt Ltd					X		
USA	DiaSorin Inc.		X		X	X		
USA	DiaSorin Molecular,LLC		X		X	X		
Israel	DiaSorin Ltd					X		
South Africa	DiaSorin South Africa PTY Ltd							X
Canada	DiaSorin Canada, Inc.						X	
Ireland	DiaSorin Ireland Ltd							X
Ireland	DiaSorin Diagnostics Ireland Ltd							X
Ireland	DiaSorin I.N. UK Limited							X
Singapore	DiaSorin Apac Pte						X	
Slovakia	DiaSorin Czech s.r.o. organizačná zložka					X		

13. ANNEX TO TAXONOMY

In this annex we provide a checklist containing the disclosure obligations provided with the Key Performance Indicator ("KPI") of non-financial undertakings pursuant to art. 1.2 of Annex I, under art. 8 of the Delegated Act, to show which of those requirements are in general applicable for 2021 reporting period.
From 1 January 2022 to 31 December 2022, i.e., the 2021 reference period, non-financial undertakings shall disclose exclusively qualitative information as set out in Section 1.2 of Annex I under art. 8 of the Delegated Act. In the right column we marked information that, in general, is suitable for fulfilling simplified reporting obligations pursuant to art. 10, section 2, under art. 8 of the Delegated Act.

Caption	
✓	Applicable according to simplified reporting (2021)
n.a.	Not applicable according to simplified reporting (e.g., because it is a quantitative information or because the information is aimed at Taxonomy alignment or requires a comparison with the previous year)
The references below refer to Annex I to art. Article 8 of the Delegated Act	

Checklist	Applicable for simplified reporting (2021 financial year)	
1.2.1 Accounting policy		
Non-financial undertakings shall explain:		
1	(a) How Turnover was determined and allocated to the numerator (b) the basis on which the Turnover was calculated, including any assessment in the allocation of revenues or expenditures to different economic activities.	✓
2	(a) how capital expenditure was determined and allocated to the numerator; (b) the basis on which the capital expenditure was calculated, including any assessment in the allocation of revenues or expenditures to different economic activities.	✓
3	(a) how operating expenditure was determined and allocated to the numerator; (b) the basis on which operating expenditure was calculated, including any assessment in the allocation of revenues or expenditures to different economic activities.	✓
4	For Turnover, non-financial undertakings shall include references to the related line items in the non-financial statements;	✓
5	For capital expenditure, non-financial undertakings shall include references to the related line items in the non-financial statements;	✓
6	Where the application of any calculations has changed since the previous reporting period, non-financial undertakings shall explain why those changes result in more reliable and relevant information and provide for restated comparative figures.	n.a.

Non-financial undertakings shall disclose any material changes that have occurred during the reporting period in relation to the implementation of the CapEx plans as disclosed in accordance with point and 1.1.2 of this Annex. Non-financial undertakings shall disclose all of the following:		
7	(a) The material changes that have occurred in the CapEx plan and the reasons underlying those changes	n.a.
8	(b) the impact of such changes on the potential for the economic activities of the undertaking to become Taxonomy-aligned and on the period of time in which this change is expected to take place;	n.a.
9	(c) the restatement of the CapEx for each past reporting year covered by the plan whenever changes to the plan had an impact on those KPIs	n.a.
10	(c) the restatement of the OpEx KPI for each past reporting year covered by the plan whenever changes to the plan had an impact on those KPIs.	n.a.
1.2.2. Assessment of compliance with Regulation (EU) 2020/852		
1.2.2.1. Information on assessment of compliance with Regulation (EU) 2020/852:		
Non-financial undertakings shall:		
11	(a) describe the nature of their Taxonomy-eligible economic activities, by referring to the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852;	✓
12	(a) describe the nature of their Taxonomy-aligned economic activities, by referring to the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852;	n.a.
13	(b) explain how they assessed compliance with the criteria set out in Article 3 of Regulation (EU) 2020/852 and the associated technical screening criteria included in the delegated acts referred to in point (a)	n.a.
14	(c) explain how they avoided any double counting in the allocation in the numerator of Turnover, CapEx, and OpEx KPIs across economic activities.	✓
1.2.2.2. Contribution to multiple objectives		
Where an economic activity contributes to several environmental objectives, non-financial undertakings shall:		
15	(a) demonstrate compliance with the criteria set out in Article 3 of Regulation (EU) 2020/852, in particular with the technical screening criteria with respect to several environmental objectives;	n.a.
16	(b) disclose the Turnover from that activity as contributing to several environmental objectives;	n.a.
17	(b) disclose CapEx from that activity as contributing to several environmental objectives;	n.a.
18	(b) disclose OpEx from that activity as contributing to several environmental objectives;	n.a.

19	(c) only count once the Turnover from that activity in the numerator of the KPIs in point 1.1 of this Annex to avoid double counting.	✓
1.2.2.3. Disaggregation of KPIs		
Where the KPIs for an economic activity are to be disaggregated, in particular where production facilities are used in an integrated manner, non-financial undertakings shall ensure that:		
20	(a) Any disaggregation is based on criteria that are appropriate for the production process being implemented and reflects the technical specificities of that process;	n.a.
21	(a) appropriate information accompanying the KPIs about the basis of such disaggregation is provided.	n.a.
1.2.3. Contextual information		
Non-financial undertakings shall explain the figures of each KPI and the reasons for any changes in those figures in the reporting period.		
22	(a) Non-financial undertakings may disclose additional KPIs (based on Turnover, Capex, Opex) that include investments in equity accounted in joint ventures, pursuant to IFRS 11 or IAS28, on a pro rata basis corresponding to their share in the equity of the joint venture.	Optional Disclosure
1.2.3.1. Contextual information about Turnover KPI for non-financial undertakings shall provide all of the following:		
1.2.3.1. Contextual information about Turnover KPI for non-financial undertakings shall provide all of the following:		
23	(a) a quantitative breakdown of the numerator in order to illustrate the key drivers of change in the turnover KPI during the reporting period, such as revenue from contracts with customers, lease revenue, or other sources of income;	n.a.
24	(b) information about the amounts related to Taxonomy-aligned activities pursued for non-financial undertakings' own internal consumption;	n.a.
25	(c) a qualitative explanation of key elements of change in the turnover KPI during the reporting period.	n.a.
26	Non-financial undertakings that have issued environmentally sustainable bonds or debt securities with the purpose of financing specific identified Taxonomy-aligned activities shall also disclose the turnover KPI adjusted to avoid double counting.	n.a.
1.2.3.2Contextual information about CapEx KPI		
Non-financial undertakings shall provide a quantitative breakdown at the economic activity aggregated level of the amounts included in the numerator and qualitative explanation of the key elements of change in CapEx KPI during the reporting period. Such breakdown shall disclose all of the following:		
27	(a) an aggregation of additions to property, plant and equipment, to internally generated intangible assets, including in a business combination or acquired, to investment properties acquired or recognized in the carrying amount and, where applicable, to capitalized right-of-use assets;	n.a.

28	(b) an aggregation of additions related to acquisitions through business combinations;	n.a.
29	(c) an aggregation of expenses incurred in relation to Taxonomy-aligned economic activities and expenses incurred as part of a CapEx plan referred to in point 1.1.2. of this Annex.	n.a.
Non-financial undertakings shall disclose the key information about each of their CapEx plans referred to in point 1.1.2. of this Annex, including all of the following:		
30	(a) The environmental objectives pursued	n.a.
31	(b) The economic activities concerned	n.a.
32	(c) Research, development and innovation activities concerned, where relevant	n.a.
33	(d) the period of time whereby each Taxonomy-aligned economic activity is expected to be expanded or whereby each economic activity is expected to become Taxonomy- aligned, including, where the period in which the economic activity is expected to become Taxonomy-aligned exceeds five years, an objective justification of such longer period, based on the specific features of the economic activity and the upgrade concerned;	n.a.
34	(e) the total capital expense expected to be incurred during the reporting period and during the period of time of the CapEx plans.	n.a.
35	Non-financial undertakings that have issued environmentally sustainable bonds or debt securities with the purpose of financing specific identified Taxonomy-aligned activities shall also disclose the CapEx KPI adjusted for the Taxonomy-aligned capital expenditure financed by such bonds or debt securities.	n.a.
1.2.3.3. Contextual information about the OpEx KPI		
Non-financial undertakings shall provide all of the following:		
36	(a) a quantitative breakdown of the numerator (operating expenditure determined in accordance with point 1.1.3.2 of this Annex) to illustrate the key elements of change in the OpEx KPI during the reporting period;	n.a.
37	(b) a qualitative explanation of the key elements of change in OpEx KPI during the reporting period;	n.a.
38	(c) an explanation of the other expenditures relating to the day-to-day servicing of items of property plant and equipment that are included in the calculation of OpEx for both the numerator and denominator.	n.a.
39	Where OpEx is part of a CapEx plan as referred to in points 1.1.2.2. and 1.1.3.2. of this Annex, non-financial undertakings shall disclose the key information about each of their CapEx plans in line with the requirements of point 1.2.3.2. of this Annex.	n.a.

14. INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT OF THE DIASORIN GROUP

DIASORIN SPA

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3, PARAGRAPH 10, OF LEGISLATIVE DECREE NO. 254/2016 AND ARTICLE 5 OF CONSOB REGULATION NO. 20267 OF JANUARY 2018

YEAR ENDED 31 DECEMBER 2021

Independent auditor's report on the consolidated nonfinancial statement pursuant to article 3, paragraph 10, of Legislative Decree No. 254/2016 and article 5 of CONSOB Regulation No. 20267 of January 2018

To the Board of Directors of DiaSorin SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation No. 20267/2018, we have undertaken a limited assurance engagement on the consolidated non-financial statement of DiaSorin SpA and its subsidiaries (the "Group") for the year ended 31 December 2021 prepared in accordance with article 4 of the Decree, presented in the specific section of the report on operations and approved by the Board of Directors on 16 March 2022 (the "NFS").

Our review does not extend to the information set out in the paragraph "2.7 Taxonomy" of the NFS, required by article 8 of European Regulation 2020/852.

Responsibilities of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the
Decree and with the "GRI-Sustainability Reporting Standards" defined in 2016, and updated versions (hereafter the "GRI Standards"), with reference to a selection of GRI Standards, indicated at paragraph "Note on methodology" of the NFS, identified by them as the reporting standards.

The Directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary to ensure an understanding of the Group's activities, its performance, its results and related impacts.

Finally, the Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for the identification and management of risks generated or faced by the Group.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

pwc

Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

Auditor's responsibilities

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our work in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance

Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE 3000 Revised”), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures*:*

1. analysis of the relevant matters reported in the NFS relating to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;
2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;
3. understanding of the following matters:
   a. business and organisational model of the Group with reference to the management of the matters specified by article 3 of the Decree;
   b. policies adopted by the Group with reference to the matters specified in article 3 of the
   Decree, actual results and related key performance indicators;
   c. key risks generated and/or faced by the Group with reference to the matters specified in article 3 of the Decree.

   With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under point 4 a) below;
4. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

   In detail, we held meetings and interviews with the management of DiaSorin SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at a group level,
  a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidence;
  b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information;
- for the following companies, divisions and sites, DiaSorin SpA, DiaSorin GmBH (Germany) and DiaSorin S.A./N.V. (Belgium), which were selected on the basis of their activities, their contribution to the performance indicators at a consolidated level and their location, we carried out interviews with local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of DiaSorin Group for the year ended 31 December 2021 is not prepared, in all material respects, in accordance with articles 3 and 4 of the Decree and with the GRI Standards, with reference to the selection of GRI Standards included in the NFS.

Our conclusion on the NFS of DiaSorin Group does not extend to the information set out in the section “2.7 Taxonomy” of the NSF, required by article 8 of European Regulation 2020/852.

Milan, 7 April 2022

PricewaterhouseCoopers SpA

Signed by

Stefano Pavesi
(Partner)

Signed by

Paolo Bersani
(Authorised signatory)

This report has been translated from the Italian original solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

MOTION TO APPROVE THE FINANCIAL STATEMENTS AND APPROPRIATE THE 2021 NET PROFIT

Dear Shareholders,

We recommend that you approve the Company's financial statements for the year ended December 31, 2021 and appropriate the net profit of € 138,848,771 as follows:

- taking into account the statutory reserve has met the limit imposed by article 2430 of the Italian Civil Code, the Company will distribute € 57,494,069.85, as a dividend of € 1.05 on each common share outstanding on the record date, excluding treasury share, equal to 1,192,000 ordinary shares;
- bring forward as retained earnings the balance of € 81,354,701.15.

The dividend will be payable starting from May 25, 2022, with coupon date on May 23, 2022 to the common share outstanding, excluding treasury shares. Pursuant to Art. 83- *terdecies* of the Legislative Decree 58/98 only the parties qualifying as shareholders at the close of business on May 24, 2022 (record date) will be entitled to a dividend.

Saluggia, March 16, 2022

For the Board of Directors,

The Chairman
Gustavo Denegri

CONSOLIDATED FINANCIAL STATEMENTS OF THE DIASORIN GROUP AT DECEMBER 31, 2021

1. CONSOLIDATED INCOME STATEMENT PURSUANT TO CONSOB RESOLUTION NO. 15519 OF JULY 27, 2006

(€ thousands)	**Notes**	**12/31/2021**	***amount with related parties***	**12/31/2020**	***amount with related parties***
Net revenues	(1)	1,237,654		881,305	
Cost of sales	(2)	(412,883)		(278,400)	
Gross profit		**824,771**		**602,905**	
Sales and marketing expenses	(3)	(211,342)		(144,064)	
Research and development costs	(4)	(70,091)		(50,800)	
General and administrative expenses	(5)	(93,270)	(8,269)	(72,083)	(7,984)
Other operating income (expenses)	(6)	(30,569)		(11,732)	
Non-recurring amount		*(21,902)*		*(3,663)*	
EBIT		**419,499**		**324,226**	
Net financial income (expense)	(7)	(20,164)		(2,853)	
Result before taxes		**399,335**		**321,373**	
Income taxes	(8)	(88,603)		(73,077)	
Net result		**310,732**	**-**	**248,296**	**-**
Including:					
- Parent Company shareholders' interests in net result		310,968		247,871	
- Minority shareholders' interests in net result		(236)		425	
Basic earnings per share	(9)	**5.44**		**4.53**	
Diluted earnings per share	(9)	**5.40**		**4.50**	

2. CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(€ thousands)	**12/31/2021**	**12/31/2020**
Net result (A)	**310,732**	**248,296**
Other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the period:		
Gains/(losses) on remeasurement of defined benefit plans	1,553	(1,491)
Total other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the period (B1)	**1,553**	**(1,491)**
Other comprehensive gains/(losses) that will be reclassified subsequently to gain/loss of the period:		
Gains/(losses) from translation of financial statements of foreign branches	73,195	(48,600)
Gains/(losses) on cash flow hedges	6,224	-
Total other comprehensive gains/(losses) that will be reclassified subsequently to gain/(loss) of the period (B2)	**79,419**	**(48,600)**
TOTAL OTHER COMPREHENSIVE GAINS/(LOSSES), NET OF TAX EFFECT (B1) +(B2) =(B)	**80,972**	**(50,091)**
TOTAL COMPREHENSIVE GAINS/(LOSSES) (A)+(B)	**391,704**	**198,205**
Including:		
- amount attributable to Parent Company shareholders	391,940	197,780
- amount attributable to minority interests	(236)	425

3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION PURSUANT TO CONSOB RESOLUTION NO. 15519 OF JULY 27, 2006

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ thousands)	**notes**	**12/31/2021**	***amount with related parties***	**12/31/2020**	***amount with related parties***
ASSETS					
Non-current assets					
Property, plant and equipment	(10)	276,197		140,497	
Goodwill	(11)	789,631		154,774	
Other intangibles	(11)	1,153,738		201,963	
Equity investments	(12)	26		26	
Deferred-tax assets	(13)	38,230		33,080	
Other non-current assets	(14)	4,323		2,189	
Other non-current financial assets	(20)	10,716		-	
Total non-current assets		*2,272,861*		*532,529*	
Current assets					
Inventories	(15)	298,049		191,234	
Trade receivables	(16)	217,588		165,678	
Other current assets	(17)	39,634		16,998	
Other current financial assets	(20)	-		126	
Cash and cash equivalents	(18)	403,020		339,881	
Total current assets		*958,291*		*713,917*	
TOTAL ASSETS		**3,231,152**		**1,246,446**	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*					
(€ thousands)	**notes**	**12/31/2021**	***amount with related parties***	**12/31/2020**	***amount with related parties***
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity					
Share capital	(19)	55,948		55,948	
Treasury shares	(19)	(120,022)		(109,546)	
Additional paid-in capital	(19)	18,155		18,155	
Statutory reserve	(19)	11,190		11,190	
Other reserves and retained earnings	(19)	1,090,138		731,060	
Net profit for the year attributable to shareholders of the Parent Company		310,968		247,871	
Equity attributable to shareholders of the Parent Company		*1,366,377*		*954,678*	
Other reserves and retained earnings attributable to minority interests		1,798		1,216	
Net profit for the period attributable to minority interests		(236)		425	
Equity attributable to minority interests		*1,562*		*1,641*	
Total shareholders' equity		**1,367,939**		**956,319**	
Non-current liabilities					
Non-current financial liabilities	(20)	1,294,747		30,451	
Provisions for employee benefits	(21)	40,917	3,096	41,242	1,844
Deferred-tax liabilities	(13)	185,337		10,066	
Other non-current liabilities	(22)	43,983		48,155	
Total non-current liabilities		*1,564,984*		*129,914*	
Current liabilities					
Trade payables	(23)	84,773		65,485	
Other payables	(24)	102,319	74	60,688	74
Current tax liabilities	(25)	6,255		29,831	
Current financial liabilities	(20)	104,882		4,209	
Total current liabilities		*298,229*		*160,213*	
Total liabilities		**1,863,213**		**290,127**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,231,152**		**1,246.446**	

4. CONSOLIDATED STATEMENT OF CASH FLOWS PURSUANT TO CONSOB RESOLUTION NO. 15519 OF JULY 27, 2006

	12/31/2021	*amount with related parties*	12/31/2020	*amount with related parties*
Cash flow from operating activities				
Net profit for the year	310,732		248,296	
Adjustments for:				
- Income taxes	88,603		73,077	
- Depreciation and amortization	95,993		61,034	
- Financial expense (income)	20,164		2,853	
- Additions to/ (Utilizations of) provisions for risks	3,418		4,709	
- (Gains)/Losses on sales of non-current assets	(384)		123	
- Additions to/ (Reversals of) provisions for employee severance indemnities and other benefits	2,278		2,619	
- Stock options reserve	6,432		6,884	
- Currency translation reserve on operating activities	1,952		(24,635)	
- Change in other non-current assets/liabilities	8,774	3,096	18,675	1,844
Cash flow from operating activities before changes in working capital	**537,962**	**-**	**393,635**	**-**
(Increase)/Decrease in trade receivables	(7,180)		(38,980)	
(Increase)/Decrease in inventories	(905)		(30,196)	
Increase/(Decrease) in trade payables	6,789		11,041	
(Increase)/Decrease in other current items	(7,434)		6,566	(584)
Cash from operating activities	**529,231**	**-**	**342,066**	**-**
Income taxes paid	(118,096)		(36,891)	
(Paid)/ collected interests	(10,471)		(613)	
Net cash from operating activities	**400,664**	**-**	**304,562**	**-**
Investments in intangible assets	(48,896)		(32,345)	
Investments in tangible assets	(68,477)		(42,480)	
Equity investments	-		(1)	
Divestments in intangible and tangible assets	6,937		1,803	
Cash used in regular investing activities	**(110,436)**	**-**	**(73,023)**	**-**
Cash flow used in business combination transactions	(1,500,757)		-	
Cash used in investing activities	**(1,611,193)**	**-**	**(73,023)**	**-**
(Repayment of)/ Proceeds from loans and other financial liabilities	1,319,774		(7,531)	
(Opening)/ Repayment of term deposits	-		40,824	
Minority transactions and capital allocations	-		3,964	
(Purchase)/Sale of treasury shares	(8,578)		(26,093)	
Dividends paid	(54,709)		(52,053)	
Cash used in financing activities	**1,256,486**	**-**	**(40,889)**	**-**
Foreign exchange translation differences	17,182		(8,321)	
Net change in cash	**63,139**	**-**	**182,329**	**-**
Cash and cash equivalents - Opening balance	**339,881**		**157,552**	
Cash and cash equivalents - Closing balance	**403,020**	**-**	**339,881**	**-**

5. STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(€ thousands)	**Share capital**	**Treasury shares**	**Additional paid-in capital**	**Statutory reserve**	**Currency translation reserve**	**Stock option reserve**	**Reserve for treasury shares**	**Other reserves and retained earnings**	**Net profit (loss) for the year**	**Group interest in shareholders' equity**	**Minority interest in equity**	**Total interest in shareholders' equity**
Shareholder's equity at 12/31/2019	**55,948**	**(81,849)**	**18,155**	**11,190**	**21,613**	**7,366**	**81,849**	**558,616**	**175,735**	**848,623**	**-**	**848,623**
Appropriation of previous year's profit	-	-	-	-	-	-	-	175,735	(175,735)	**-**	-	**-**
Dividends paid	-	-	-	-	-	-	-	(52,053)	-	**(52,053)**	-	**(52,053)**
Stock options and other changes	-	-	-	-	-	4,197	-	1,331	-	**5,528**	-	**5,528**
Sale of /(purchase) treasury shares	-	(27,697)	-	-	-	-	27,697	(26,093)	-	**(26,093)**	-	**(26,093)**
Put/Call option rights in subsidiaries	-	-	-	-	-	-	-	(19,107)	-	**(19,107)**	1,216	**(17,891)**
Profit for the period	-	-	-	-	-	-	-	-	*247,871*	***247,871***	425	***248,296***
Translation adjustment	-	-	-	-	(48,600)	-	-	-	-	**(48,600)**	**-**	**(48,600)**
Gains/(losses) from remeasurement of defined benefits plans, net of tax effect	-	-	-	-	-	-	-	(1,491)	-	**(1,491)**	-	**(1,491)**
Other changes in the comprehensive income statement	-	-	-	-	*(48,600)*	-	-	*(1,491)*	-	***(50,091)***	**-**	***(50,091)***
Comprehensive profit for the period	-	-	-	-	(48,600)	-	-	(1,491)	247,871	**197,780**	425	**198,205**
Shareholders' equity at 12/31/2020	**55,948**	**(109,546)**	**18,155**	**11,190**	**(26,987)**	**11,563**	**109,546**	**636,938**	**247,871**	**954,678**	**1,641**	**956,319**

(€ thousands)	**Share capital**	**Treasury shares**	**Additional paid-in capital**	**Statutory reserve**	**Currency translation reserve**	**Stock option reserve**	**Reserve for treasury shares**	**Other reserves and retained earnings**	**Net profit (loss) for the year**	**Group interest in shareholders' equity**	**Minority interest in equity**	**Total interest in shareholders' equity**
Shareholders' equity at 12/31/2020	**55,948**	**(109,546)**	**18,155**	**11,190**	**(26,987)**	**11,563**	**109,546**	**636,938**	**247,871**	**954,678**	**1,641**	**956,319**
Appropriation of previous year's profit	-	-	-	-	-	-	-	247,871	(247,871)	**-**	-	**-**
Dividends paid	-	-	-	-	-	-	-	(54,709)	-	**(54,709)**	-	**(54,709)**
Stock options and other changes	-	-	-	-	-	5,749	-	683	-	**6,432**	-	**6,432**

Sale /(purchase) of treasury shares	-	(10,476)	-	-	-	-	10,476	(8,578)	-	**(8,578)**	-	**(8,578)**
Put/Call option rights in subsidiaries	-	-	-	-	-	-	-	16,815	-	**16,815**	157	**16,972**
Ex IAS 32 convertible debt reclassification	-	-	-	-	-	-	-	59,800	-	**59,800**	-	**59,800**
Profit for the period	-	-	-	-	-	-	-	-	*310,968*	***310,968***	*(236)*	***310,732***
Translation adjustment	-	-	-	-	73,195	-	-	-	-	**73,195**	-	**73,195**
Gains/(losses) from remeasurement of defined benefits plans, net of tax effect	-	-	-	-	-	-	-	1,553	-	**1,553**	-	**1,553**
Cash flow hedge reserve	-	-	-	-	-	-	-	6,224	-	**6,224**	-	**6,224**
Other changes in the comprehensive income statement	-	-	-	-	*73,195*	-	-	*7,777*	-	***80,972***	-	*80,972*
Comprehensive profit for the period	-	-	-	-	73,195	-	-	7,777	310,968	**391,940**	(236)	**391,704**
Shareholders' equity at 12/31/2021	**55,948**	**(120,022)**	**18,155**	**11,190**	**46,208**	**17,312**	**120,022**	**906,598**	**310,968**	**1,366,377**	**1,562**	**1,367,939**

6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021

GENERAL INFORMATION AND SCOPE OF CONSOLIDATION

General information

The DiaSorin Group is specialized in the development, manufacture and distribution of immunodiagnostics and molecular diagnostics tests. The Group's Parent Company, DiaSorin S.p.A., is in Via Crescentino (no building No.), Saluggia (VC).

The Board of Directors authorized the publication of these Consolidated Financial Statements on March 16, 2022.

Principles for the preparation of the consolidated financial statements

The 2021 consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs"), the "International Accounting Standards" (IAS), the interpretations of the "International Reporting Interpretations Committee" (IFRIC), previously known as the "Standing Interpretations Committee" (SIC) which, at the closing date of the consolidated financial statements, have been endorsed by the European Union according to the procedure laid down in Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002.

The 2021 consolidated financial statements have been prepared on the basis of the company as a going concern, as the Directors have verified that there are no financial, managerial or other indicators that may show critical issues concerning the Group capacity to fulfil its commitments in the foreseeable future and, more specifically, in the next 12 months. A description of how the Group manages financial risks is provided in the notes to the Management of financial risks.

These consolidated financial statements are denominated in Euros, which is the currency of the main economic environment in which the Group operates. All amounts are stated in thousands of euros, unless otherwise stated.

Financial statements presentation format

The following provides the presentation formats and classification criteria adopted by the Group in respect of the accounting options set forth in IAS 1 Presentation of financial statements:

- The Consolidated Statement of Financial Position has been prepared by classifying assets and liabilities according to the "current/non-current" criteria;
- The Comprehensive Income Statement has been prepared by classifying expenses by function in addition to profit (loss) of the period, other changes in equity other than transactions carried out with Company's shareholders. This classification of the income statement, or by destination, is representative of the format used for internal reporting and management purposes and is in line with international practice in diagnostic sector.

- The Consolidated Statement of Cash flows is presented by stating cash flows provided by operating activities according to the "indirect method".
- In addition, in accordance with Consob Resolution no. 15519 of 28 July 2006, within the income statement income and expenses from non-recurring transactions are identified separately; similarly, the financial statements show separately any balances related to receivable/payable positions and transactions with related parties, which are further described in the section of these Notes to the financial statements entitled "Transactions with related parties".

The Consolidated Financial Statements were prepared based on the conventional historical cost criterion, except for the measurement of financial assets and liabilities in those cases in which the use of the fair value criterion is mandatory.

Scope of consolidation

The consolidated financial statements include the financial statements of DiaSorin S.p.A., the Group's Parent Company, and its subsidiaries at December 31, 2021. The financial statements of the consolidated companies are those prepared by their Boards of Directors for approval by the shareholders. Subsidiaries are companies over which DiaSorin S.p.A, directly or indirectly, has the right to exercise control, as defined in IFRS 10 "Consolidated Financial Statements." In order to assess the existence of control, the following three requirements are to be satisfied:

- power over the company;
- exposure to the risks and rights deriving from the variable returns entailed by its involvement;
- ability to influence the company so as to influence the investor's (positive or negative) results.

Subsidiaries are consolidated line by line from the date the Group obtains control until the moment when control ceases to exist.

The Group has neither subsidiaries with significant minority interest nor unconsolidated structured entities and it is not subject to significant restrictions concerning interest in subsidiaries.

Compared to December 31, 2020, the scope of consolidation changed due to the inclusion of Luminex Corporation and of its subsidiaries (the "Luminex Group"), and to the establishment of DiaSorin Middle East FZ-LLC, a United Arab Emirates commercial branch -which is not yet fully operational- and to the liquidation of DiaSorin Diagnostics Ireland Limited, completed in December.

Investments in subsidiaries

A list of direct and indirect investments in subsidiaries at December 31, 2021 and December 31, 2020 is provided below:

Company	Country	At December 31, 2021		At December 31, 2020	
		% held by the Group	% minority interest	% held by the Group	% minority interest
Direct investments					

DiaSorin S.A/N.V.	Belgium	100%	-	100%	-
DiaSorin Ltda	Brazil	100%	-	100%	-
DiaSorin S.A.	France	100%	-	100%	-
DiaSorin Iberia S.A.	Spain	100%	-	100%	-
DiaSorin Ltd	UK	100%	-	100%	-
DiaSorin Inc.	USA	100%	-	100%	-
DiaSorin Mexico S.A de C.V.	Mexico	100%	-	100%	-
DiaSorin Deutschland GmbH	Germany	100%	-	100%	-
DiaSorin AB	Sweden	100%	-	100%	-
DiaSorin Ltd	Israel	100%	-	100%	-
DiaSorin Austria GmbH	Austria	100%	-	100%	-
DiaSorin Czech s.r.o.	Czech Republic	100%	-	100%	-
DiaSorin South Africa (PTY) Ltd	South Africa	100%	-	100%	-
DiaSorin Australia (Pty) Ltd	Australia	100%	-	100%	-
DiaSorin Ltd	China	76%	24%	76%	24%
DiaSorin Switzerland AG	Switzerland	100%	-	100%	-
DiaSorin Poland sp. z o.o.	Poland	100%	-	100%	-
DiaSorin Diagnostics Ireland Limited	Ireland	-	-	100%	-
DiaSorin Ireland Limited	Ireland	100%	-	100%	-
DiaSorin I.N.UK Limited	Ireland	100%	-	100%	-
DiaSorin I.N. Limited	Ireland	100%	-	100%	-
DiaSorin APAC Pte Ltd	Singapore	100%	-	100%	-
DiaSorin Middle East FZ-LLC	UAE	100%	-	-	-
Indirect investment					
DiaSorin Canada Inc	Canada	100%	-	100%	-
DiaSorin Healthcare India Private Limited	India	100%	-	100%	-
DiaSorin Molecular LLC	USA	100%	-	100%	-
Luminex Corporation	USA	100%	-	-	-
Luminex International, Inc.	USA	100%	-	-	-
Nanosphere LLC	USA	100%	-	-	-
ChandlerTec LLC	USA	100%	-	-	-
Iris Biotech LLC	USA	100%	-	-	-
Amnis LLC	USA	100%	-	-	-
Luminex Molecular Diagnostics Inc.	Canada	100%	-	-	-
Luminex B.V.	Netherlands	100%	-	-	-
Luminex 2 B.V.	Netherlands	100%	-	-	-
Luminex 3 B.V.	Netherlands	100%	-	-	-
Luminex Japan Corp. Lts.	Japan	100%	-	-	-
Luminex Trading (Shanghai) Co. Ltd.	China	100%	-	-	-
Luminex Hong Kong Ltd.	Hong Kong	100%	-	-	-
Luminex London Ltd.	UK	100%	-	-	-
Luminex Munich GmbH	Germany	100%	-	-	-
Luminex Paris SaS	France	100%	-	-	-

A complete list of the investee companies containing information about head office location and the percentage interest held by the Group is provided in Annex I.

Investments in joint ventures

At December 31, 2021, the Group does not hold investments classified as joint ventures pursuant to IFRS 11.

Business combinations

In April 2021, the Group announced that it signed a merger agreement to acquire the entire share capital of Luminex Corporation for a price of USD 37.00 per share, corresponding to a total consideration of USD 1.7 billion. The transaction was completed on July 14, 2021.

The transaction has been completed following and as a result of the merger by incorporation of Diagonal Subsidiary Inc. - a wholly-owned subsidiary of DiaSorin S.p.A. (indirectly through DiaSorin Inc.) - into Luminex Corporation. As a result of the reverse merger DiaSorin Inc., a wholly and directly owned subsidiary of DiaSorin S.p.A., holds 100% of Luminex share capital.

The Group consolidated the values of the acquired business from the date of completion of the transaction and acquisition of control. As at the date of this Report, the final allocation of the fair value of the acquired net assets has not yet been completed. The difference between the consideration paid for the acquisition and the fair value of the acquired assets and liabilities was entered as "Goodwill". IFRS 3 allows one year window to complete the allocation of Business Combination transactions (Open Window).

The following table provides assets and liabilities acquired at fair value arising from the provisional allocation of the consideration paid for the acquisition:

(€ thousands)	***Carrying amounts at the acquisition date***	***Determined provisional Fair value***
ASSETS		
Property, plant and equipment	102,417	102,417
Intangible assets	6,603	906,629
Other non-current assets	1,244	1,244
Deferred-tax assets	53,810	-
Other non-current financial assets	373	373
TOTAL NON-CURRENT ASSETS	**164,447**	**1,010,662**
Inventories	114,941	105,910
Trade receivables	44,730	44,730
Other current financial assets	17,779	17,779
Other current assets	8,424	8,424
Cash and cash equivalents	249,148	249,148
TOTAL CURRENT ASSETS	**435,022**	**425,990**
TOTAL ASSETS	**599,468**	**1,436,653**

LIABILITIES		
Non-current financial liabilities	256,683	256,683
Deferred-tax liabilities	-	159,877
Other non-current liabilities	1,884	9,880
TOTAL NON-CURRENT LIABILITIES	**258,566**	**426,440**
Trade payables	10,244	10,232
Other payables	153,390	153,390
Current financial liabilities	5,013	5,013
TOTAL CURRENT LIABILITIES	**168,647**	**168,635**
TOTAL LIABILITIES	**427,213**	**595,075**
TOTAL ACQUIRED NET ASSETS	**172,255**	**841,578**
Goodwill		600,412
Total *fair value consideration*		**1,441,990**

The fair value of acquired trade receivables amounted to € 44,730 thousand.

Transaction costs to complete the transaction and classified in the Income Statement were € 14,199 thousand. Luminex contributed € 195,045 thousand to Group Revenues.

If the acquired business had been consolidated at January 1, 2021, the resulting pro-forma Luminex revenues would be € 365,679 thousand, and the related pro-forma net result (including the effects deriving from the provisional allocation of the consideration paid for the acquisition) would be approx. € 20,000 thousand.

As part of the Purchase Price Allocation, Contingent Liabilities amounting to € 9,445 thousand related to contingent liabilities deriving from risks that although are deemed to be unlikely are recognized as acquired net liabilities according to the accounting standard IFRS 3- Business combination.

As provided in the table above, the Group provisionally allocated € 906,026 thousand to intangible assets that include technologies for € 160,772 thousand, customer-related assets for € 669,555 thousand and trademarks for € 69,669 thousand, excluding related tax effects. Residual goodwill is not deductible for tax purposes.

The following table provides the net cash flow absorbed as a result of the acquisition:

	(€ thousands)
Consideration paid	1,441,990
Repayments of loans and bonds due to "change of control"	204,421
Acceleration of Luminex share-based remuneration plan due to "change of control"	103,494
Acquired cash and cash equivalent	(249,148)
Total cash flow absorbed due to the business combination transaction	**1,500,757**

The acquisition was financed through:

- A financing agreement amounting to USD 1,000 million, through which the lending banks have made the amount available to DiaSorin Inc.. The financing agreement contains commitments that are customary for agreements of a similar type and size, such a guarantee and disclosure obligations, negative pledge and events of default clauses, and compliance with certain financial ratio;
- the senior unsecured equity-linked bond amounting to €500 million. Following the approval by the Board of Directors on April 27, 2021, the Company successfully placed the bond issue with settlement on May 5, 2021, and maturity on May 5, 2028;
- the Group's cash on hand, amounting USD 114 million.

Through the acquisition, the DiaSorin Group has gained access to Luminex's multiplexing technology and a portfolio that has strengthened its existing offering, while expanding the Group presence in the United States. Additionally, this deal has provided access to Luminex's applications throughout the Life Science industry, supporting access to academic and scientific research, expanding engagement with biopharma companies, and increasing access to clinical multiplexing assays for future Value Based Care projects.

PRINCIPLES OF CONSOLIDATION, VALUATION CRITERIA AND ACCOUNTING STANDARDS

Principles of consolidation

The financial statements of subsidiaries and branches are consolidated by the line-by-line consolidation method.
Under this method, assets, liabilities, expenses and revenues are consolidated using their full amount, irrespective of the percentage interest held, and the minority interest in shareholders' equity and net profit is shown in separate line items of the consolidated financial statements.
When preparing the consolidated financial statements, intra-Group balances and transactions, including unrealized intra-Group gains and losses, are eliminated.
All assets and liabilities of foreign companies included in the scope of consolidation that are denominated in foreign currencies are translated into euros at the exchange rates in force on the date of the financial statements. Revenues and expenses are translated into euros at the average exchange rate for the year. Currency translation differences generated by the use of this method are posted to a shareholders' equity in the "translation reserve" item until the corresponding equity investment is sold.
Transactions in foreign currencies are recognized at the exchange rate in force on the transaction date. Cash assets and liabilities denominated in foreign currencies that are outstanding on the date of the financial statements are converted at the exchange rate in force on that date.

Business combinations

Business combinations by virtue of which control is acquired over an entity are recognized, as required by the provisions of IFRS 3 Business Combinations, in accordance with the acquisition method. The acquisition cost is represented by the fair value on the acquisition date of the assets being sold, the assumed liabilities and any issued equity instruments. The identifiable acquired assets, assumed liabilities and contingent liabilities are recognized at their fair value on the date of acquisition, except for deferred tax assets and liabilities, assets and liabilities for employee benefits and assets held for sale, which are recognized in accordance with the respective reference accounting principles. The difference between the acquisition cost and the fair value of the acquired assets and liabilities, if positive, is recognized among intangible assets as goodwill or, if negative, after checking again the correct measurement of the fair values of the acquired assets and liabilities and the acquisition costs, is recognized directly in profit or loss, as a gain. Incidental transaction costs are recognized in profit or loss when incurred.

Under the definition of IFRS 3, acquisition of business occurs when such business includes an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of "output" is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

Where total control is not acquired, the share of shareholders' equity attributable to minority interests is determined based on the share of the current values attributed to assets and liabilities at the date of acquisition of control, net of any goodwill (the "partial goodwill method"). Alternatively, the full amount of the goodwill generated by the acquisition is recognized, therefore also taking into account the portion attributable to minority interests (the "full goodwill method"). In this case, minority interests are expressed at their total fair value, including the attributable share of goodwill. The choice of how to determine goodwill (partial goodwill method or full goodwill method) is made based on each individual business combination transaction.

The cost of acquisition includes contingent consideration, recognized at its acquisition-date fair value. Subsequent changes in fair value are recognized in profit or loss or other comprehensive income if the contingent consideration is a financial asset or liability. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for directly in equity.

If, in a business combination, control is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognizes the resulting gain or loss in profit or loss.

Acquisitions of non-controlling interests in entities which are already controlled by the acquirer or disposals of non-controlling interests that do not involve a loss of control are treated as equity transactions; therefore, any difference between the cost of acquisition/disposal and the related share of net assets acquired/sold is accounted for as an adjustment to the Group's equity.

Call/put options exchanged between the Parent Company and minority shareholders are recognized considering the risks benefits transferred with the contract. Specifically, the Group recognizes a financial liability on the date the contract is executed against the Group's equity when the minority shareholders retain the transaction's risks and benefits, or against the minority shareholder's equity when the transaction's risks and benefits are transferred to the majority shareholder. Any subsequent changes in the value of the liability are recognized in equity.

Valuation criteria and accounting principles

Property, plant and equipment

The item includes:
a) Land;
b) Industrial buildings;
c) General purpose and specialized facilities;
d) Machinery;
e) Manufacturing and distribution equipment;
f) Right-of-use assets (in accordance with IFRS 16 accounting standard);
g) other assets.

These assets are recognized at their acquisition or production cost, plus directly attributable incidental expenses. Items of property, plant and equipment are valued at cost. Their cost is reduced by depreciation (with the exception of land, which is not depreciated) and write-downs for impairment.
Depreciation is computed on a straight-line basis at rates that reflect an asset's decrease in value and wear and tear. Depreciation is computed from the moment an asset is available for use.
Significant components of property, plant and equipment that have different useful lives are recognized separately and each one is depreciated in accordance with its own useful life.
The useful lives and residual values of these assets are reviewed each year upon the closing of the annual financial statements.

In accordance with the IFRS 16 accounting principles, the Group as lessee recognizes the so-called right-of-use asset at the initial leasing date (i.e., the date on which the underlying asset is available for use). Right-of use-asset is measured at cost, net of any accumulated depreciation and impairments and adjusted for any remeasurement of the lease liability. The cost of the right-of-use asset includes the amount of the lease liabilities recognized, the initial direct costs incurred and the payment of leases at the commencement date or before, net of any incentives received. The right-of-use asset is depreciated on a straight-line basis from the lease commencement date to the end of the useful life of the right-of use asset or, if earlier, to the lease's term. If the lease transfers ownership of the asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise the option to purchase the asset, the Group shall depreciate the right-of-use asset from the lease commencement date to the end of the useful life of the underlying asset.

The depreciation rates used are as follows:

Industrial buildings	5.5%
General purpose and specialized facilities	10-12.5%
Machinery	12%
Manufacturing and distribution equipment	40%
Equipment held by customers	14-25%
Reconditioned equipment held by customers	20-33%
Right-of-use assets	5.5%-33%

Costs incurred for regular maintenance and repairs are charged directly to income the year they are incurred. Costs incurred to recondition equipment are capitalized only to the extent that the reconditioned equipment meets the requirements to be recognized separately as an asset or an asset

component in accordance with the "component approach". Reconditioning costs and any non-depreciated residual values are depreciated over the asset's residual life, which is estimated at three years.
Leasehold improvements that meet the requirements of IAS 16 "Property, Plant and Equipment" are classified as property, plant and equipment and depreciated over the asset's residual life or the remaining length of the lease, whichever is shorter.
If, irrespective of the amount of depreciation already taken, the recoverable value of an asset, computed in accordance with the method provided in IAS 36, is lower than its carrying value, the latter is written down to the assets' recoverable value and the resulting impairment loss is recognized. If in subsequent years the reasons for the original write-down cease to apply, the asset is restored to its original value (net of any depreciation that would have been taken had the asset not been written down) or its recoverable value, whichever is lower.
Gains and losses on the disposal or retirement of assets, which are computed as the difference between the sales proceeds and the asset's net carrying value, are recognized in the income statement for the year.
In accordance with IFRS 16 accounting standard, if changes to lease contracts result in a change in the accounting for the existing lease, the Group recognizes a remeasurement of the carrying amount of the right-of-use asset and a change, at the same time, in the lease liability; any gains or losses resulting from the remeasurement are recognized in the income statement of the period.

Intangible assets

Intangible assets are recognized in the statement of financial position only if they are identifiable, controllable, there is an expectation that they will produce future economic benefits and their cost can be measured reliably.
Intangible assets with a finite useful life are valued at their acquisition or production cost or at their appraised value, net of accumulated amortization and impairment losses. Amortization is computed on the basis of an asset's estimated useful life and begins when an asset is available for use. Useful lives are reviewed annually and the impact of any changes is reflected prospectively.
Intangible assets with an indefinite useful life are not amortized. They are tested for impairment annually or more frequently, if necessary, even when there are no indications that the value of the assets has been impaired. These tests are carried out for each cash generating unit to which intangible assets have been allocated.

Intangible assets with an indefinite useful life

Goodwill
Goodwill generated through the acquisition of a subsidiary or another business combination is the portion of the purchase price paid in excess of the Group's interest in the fair value on the date of acquisition of the acquired assets, liabilities and identifiable contingent liabilities. Goodwill is recognized as an intangible asset with an indefinite useful life and is not amortized. However, its carrying amount is tested once a year (or more often if necessary) for impairment, even when there are no indications that its value has been impaired, and to test the indefinite life assumption. Impairment losses are immediately recognized in profit or loss and may not be reversed subsequently. After initial recognition, goodwill is valued at cost, less any accumulated impairment losses. When a subsidiary is sold, the net carrying amount of the goodwill allocated to that subsidiary is included in the computation of the gain or loss generated by the sale.

For impairment test purposes, goodwill is allocated to the cash generating units (CGUs).

Intangible assets with a defined life

Development costs
Costs incurred internally to develop new products or systems constitute an intangible asset and may be recognized as such only if all the following requirements can be satisfied:

- It is a technically feasible to complete an asset so that it will be available for use or sale and the Group intends to do so.
- The Group is able to sell, exchange or distribute the future economic benefits attributable to an asset without having to relinquish future economic benefits generated by other assets used by the same cash generating unit.
- There is evidence that the costs incurred will generate probable future benefits. Such evidence can consist of the existence of a market for the output of the asset or of the usefulness of the asset, if used internally.
- The Group has access to adequate technical and financial resources to complete the development of the asset and to sell or use internally its output.
- The expenditures attributable to the asset during its development can be measured reliably.

Capitalized development costs include only the expenditures that can be attributed directly to the development process.
In the first year, amortization is computed based on the length of time during which the asset is effectively in use. The useful life of development costs is estimated on the maximum length of time during which management believes that the asset will generate economic benefits. Research and development costs that do not satisfy the requirements listed above are charged to income immediately and may not be capitalized in subsequent years.

Other intangibles

Other intangibles are recognized in the statement of financial position only it is probable that their use will generate future economic benefits and if their cost can be measured reliably. If these conditions are met, these intangible assets are recognized at cost, which is their purchase price plus incidental expenses.
The gross carrying amount of intangible assets with a finite useful life is amortized on a straight-line basis based on the assets' estimated useful lives. Amortization begins when an asset is put into use. In the first year, amortization is computed based on the length of time during which the asset is effectively in use.
The Group uses the following amortization rates:

Asset type	Amortization rate
Concessions, licenses and similar rights	6.67% -10% or length of contract
Customer relationship	5% - 6.67% -10%
Trademarks	5% - 20%
Industrial patent and intellectual property rights	6.67% - 10% or legal duration

The duration of the amortization period, which is based on internal analyses and valuations, development plans and the return flows from their use, is deemed to be consistent with expectations concerning the duration and development of the Group's activities and products and with the likelihood that the positions achieved in the diagnostics market will be retained.

Intangibles recognized in connection with Luminex business combination include:

- Trademarks, the value of which was determined on the basis of the Relief-from-Royalty method;
- Customer Relationship, which represents all commercial relationships of the acquired company, is determined on the basis of the Income Based method reflecting the current value of future benefits generated by the Customer Relationship. Specifically, the method used was the Multi Period Excess Earnings;
- Technologies, identified as separable intangible assets over which the Group can exercise control; the value of these assets was determined through the Relief-from-Royalty method representing the present value of the cash flows that will be generated by Technologies over a defined useful life.

Impairment of assets

The Group tests its property, plant and equipment and its intangible assets once a year to determine whether the value of these assets has been impaired. If evidence of impairment is detected, the recoverable value of the affected assets is determined. Intangibles with a finite useful life, intangibles that are not yet ready for use and goodwill generated through a business combination are tested for impairment at least once a year, even when there is no indication that the value of the assets has been impaired, or more often if there is an indication that their value may have been impaired, as required.
An asset's recoverable amount is the higher of its fair value, less cost to sell, and its value in use, computed as the present value of the future cash flows expected to be derived from an asset or cash-generating unit. Expected future cash flows reflect assumptions that are consistent with the criteria applied to determine the discount rate. Cash flow projections are based on Company plans and on reasonable and documented assumptions about the Group's future results and macroeconomic conditions.
The discount rate used must reflect the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. When the recoverable amount of an individual asset cannot be estimated, the Group estimates the recoverable amount of the CGU to which the asset belongs. Particularly, the CGUs identified by the DiaSorin Group coincide with the legal entities of the Group or with their homogeneous combination.
Whenever the recoverable amount of an asset or a CGU is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the reduction is recognized as an impairment loss in the income statement. Subsequently, if an impairment loss for an asset other than goodwill ceases to exist or is reduced, the carrying amount of the asset (or CGU) is increased to the new estimated recoverable amount (but not more than the asset's net carrying amount had no impairment loss been recognized). This reversal is recognized immediately in earnings. Impairment losses recognized on goodwill or intangibles with indefinite useful life are in no way recoverable.

Inventories

Inventories, which consist mainly of raw materials, work-in-progress and finished products, are carried at the lower of cost or net realizable value, determined in accordance with market conditions. Costs include the price paid to suppliers plus the incidental expenses incurred to bring the purchased goods to the warehouse door, net of discounts and allowances. Production costs include the costs directly attributable to individual goods or classes of goods, plus a reasonable allocation of the overall outlays incurred for the activities carried out to produce the goods in question (fixed production overhead). The allocation of fixed production overhead is based on the normal capacity of the production facilities. Cost is determined by the FIFO method.
The carrying amount of the inventory, determined in the manner described above, is reduced by a provision that reflects the impact of obsolete and slow-moving inventory.

Receivables and payables

Trade and other receivables are valued at amortized cost using the effective interest rate, less impairment losses, except receivables within a business model whose objective is achieved by either collection of contractual cash flows or sale (hold to collect and sell). These receivables are measured at fair value with changes recognized directly in the comprehensive income statement.
Impairment losses on receivables are recognized through the simplified approach required by IFRS 9 to measure loss allowance through lifetime expected credit loss. Specifically, the Group calculates expected credit loss using a provision matrix, which is estimated on the basis of historical credit loss experience for past due receivables and is adjusted to reflect current conditions and estimates on relevant future economic conditions.
Trade payables and other payables are initially recognized at fair value, net of directly allocated accessory costs and are subsequently measured at amortized cost, applying the effective interest rate criteria.
Receivables and payables denominated in foreign currencies are translated at the exchange rates in force on the date of the financial statements and any resulting gains or losses are recognized in earnings.

Factoring of receivables

The DiaSorin Group engages in the factoring of its receivables.
When all risks and benefits relating to ownership and contractual rights are transferred to cash flows deriving thereof, receivables assigned through such transactions are removed from the statement of financial position. In such event, cumulative changes in fair value - previously recognized in the comprehensive income statement - are transferred to the income statement. Conversely, if requirements for derecognition of assets are not met, receivables are recognized as such in the Group financial statements; a corresponding financial liability is recognized in the consolidated statement of financial position as “financial payables”.

Cash and cash equivalents

They consist of cash and cash equivalents, short-term bank deposits, shares in liquidity funds and other money market securities readily converted into cash.

Assets and liabilities held for sale

Assets and Liabilities held for sale are classified as such when their carrying amounts will be recovered mainly from the sale rather than continuous use. These conditions will be considered to have been fulfilled when the sale or discontinuity of the group of assets being disposed of is considered to be highly probable and the assets and liabilities are immediately available for the sale in the conditions they are in. When the Group is committed to a disposal plan involving loss of control of an investee company, all the assets and liabilities of this investee company are classified as held for sale when the conditions described above are fulfilled even when, after disposal, the Group continues to hold a minority interest in the investee company.
Assets held for sale are measured at the lower of the carrying amount and the fair value net costs for sale.

Shareholders' equity

Equity instruments issued by the Group's Parent Company are recognized for the amount of consideration received. Dividends distributed by the Group's Parent Company are recognized as a liability when the distribution resolution is approved. The purchase cost of treasury shares and the proceeds from their sale are recognized directly in equity, with no impact on the income statement.

Treasury shares
When the Group's Parent Company and its subsidiaries purchase Company shares, the consideration paid is deducted from the shareholders' equity attributable to the Company's shareholders, until the shares are retired or sold. No gain or loss is recognized in the income statement when treasury shares are bought, sold, issued or retired. When these shares are subsequently reissued, the consideration received, net of taxes, is added to the shareholders' equity attributable to the Company's shareholders.

Employee benefits

Pension plans
The Group uses different types of defined-contribution and defined-benefit plans, in accordance with the local conditions and practices in the countries in which it operates.
Each year, the Group recognizes in earnings the portion of the premiums paid in connection with defined-contribution plans that accrue that year.
Defined-benefit pension plans, which include the severance benefits payable to employees pursuant to Article 2120 of the Italian Civil Code, are based on the length of the working lives of employees and the wages earned by employees over a predetermined period of service. The liability that represents the benefits owed to employees under defined-benefit plans is recognized at its actuarial value.
The recognition of defined-benefit plans requires the use of actuarial techniques to estimate the amount of the benefits accrued by employees in exchange for the work performed during the current year and in previous years. The resulting benefit must then be discounted to determine the present value of the Group's obligation. The determination of the present value of the Group's obligation is made by an independent actuary, using the projected unit credit method. This method treats each period of service provided by an employee to a company as an individual accrual unit. The actuarial liability must be quantified exclusively on the basis of the seniority achieved as of the date of valuation. Consequently, the total liability is prorated based on a ratio between the years of service accrued as of the valuation reference date and the total seniority that an employee is expected to have achieved when the benefit

is paid. Moreover, this method requires taking into account future wage increases due for any reason (inflation, career moves, labor contract renewals, etc.) until the end of the employment relationship.
The cost of defined-benefit plans accrued during the year, which is reflected in the income statement as part of labor costs and financial expense, is equal to the sum of the average present value of the accrued benefits of current employees for service provided during the year and their annual vested interest in the present value of the Group’s obligations at the beginning of the year, computed by discounting future outlays by the same rate as that used to estimate the Group’s liability at the end of the previous year. The annual discount rate used for these computations was the same as the year-end market rate for zero-coupon bonds with a maturity equal to the average residual duration of the liability. Actuarial gains and losses reflecting changes in the actuarial assumptions or experience adjustments are credited or charged to equity in the statement of comprehensive income for the period in which they arise. If the amount is recorded on the balance sheet as an asset, it is limited to the present value of economic benefits available in the form of refunds or reductions in future contributions to the plan.
On January 1, 2007, the Italian Budget Law and the related implementation decrees introduced significant changes in the rules that govern the Provision for employee severance indemnities (“PESI”) of companies whose registered office is located in Italy. These changes include the right of employees to decide the destination of future accrued PESI amounts. Specifically, employees can direct new PESI flows to selected pension investments or keep them with the employer company, which will then deposit its PESI contribution in a treasury account at the Italian social security administration (abbreviated as INPS in Italian). In light of these changes, the PESI is now viewed as a defined-benefit plan only insofar as the amounts vested before January 1, 2007 are concerned and as a defined-contribution plan after January 1, 2007.

Equity-based compensation plans

Group companies grant to Group executives and middle managers additional benefits through equity-based plans (stock options). In accordance with IFRS 2 “Share-based Payment,” stock options awarded to employees are measured at their fair value on the grant date, in accordance with models that take into account factors and data (option exercise price, duration of the option, current price of the underlying shares, expected share price volatility, expected dividends and interest rate for zero-risk investments over the life of the option) applicable on the grant date.
If the option becomes exercisable after a certain period and/or certain performance requirements are met (vesting period), the total value of the option is prorated over the vesting period and recognized in earnings, with the offsetting entry posted to a specific shareholders’ equity account called “Other reserves”.
Because stock options are equity instruments, as defined by IFRS 2, the fair value of each option determined on the grant date is not adjusted at the end of each year unless changes occur in the stock options terms and conditions to increase their fair value in favor of beneficiaries. The estimate of the number of options that will reach maturity (and hence the number of employees who will be entitled to exercise their options) is adjusted. The result of any change in estimate is posted as an increase to or a reduction of the abovementioned shareholders’ equity account, with the offsetting entry reflected in the income statement. At the end of the exercise period, the exercised options are reflected in the Company’s share capital by adding an amount obtained by multiplying the number of shares issued by the par value of each share. The portion of “Other reserves” that is attributable to plan costs previously recognized in earnings and the amount obtained by multiplying the number of shares issued by the difference between the exercise price and the par value per share is posted to a shareholders’ equity reserve.

Provisions for risks and charges

Provisions for risks and charges include amounts set aside to fund current obligations (statutory or implied) that arise from a past event, the performance of which will probably require the use of resources and the amount of which can be reasonably estimated. When the use of financial resources is expected to extend for a period of more than one year, the corresponding obligation should be recognized at its present value by discounting expected future cash flows at a rate that takes into account the cost of money and the risks inherent in the liability.
The provisions are updated on each financial statement date to reflect best current estimates. The impact of any changes in estimates is reflected in the income statement for the period during which the change occurred.
Risks that are merely reasonably possible of producing a liability are disclosed in the Notes to the financial statements, but no amount is recorded in the financial statements.

Income taxes

Income taxes include both current and deferred taxes.
Current taxes are computed on the basis of the estimated taxable income for the year in accordance with the tax laws in force in the countries in which the Group operates.
Taxable income is different from reported income because it does not include positive and negative components that will be taxable or deductible in subsequent years and those items that will never be taxable or deductible. The liability for current taxes is computed using the tax rates in force on the date of the financial statements or the tax rates that will be in force when the asset is realized or the liability settled, if they are known.

Deferred-tax assets and liabilities are the taxes that the Group expects to pay or recover on temporary differences between the values attributed to assets and liabilities for reporting purposes and the corresponding tax-related values used to compute taxable income, computed in accordance with the balance sheet liability method. As a rule, deferred-tax liabilities are recognized for all taxable temporary differences, while deferred-tax assets are recognized only insofar as the Group deems it probable that, in the future, it will generate sufficient taxable income to use the deductible temporary differences. The tax benefit produced by carrying forward tax losses is recognized if and to the extent that it is probable that, in the future, the Group will have sufficient taxable income to offset these losses. Deferred-tax liabilities or assets are also determined for consolidation adjustments.
The carrying value of deferred-tax assets is updated on each financial statement date and reduced when the existence of future taxable income sufficient to recover all or part of these assets is no longer probable.
Deferred taxes are computed at the tax rate in force on the closing date of the financial statements or at the tax rate that will be in force when the asset is realized or the liability settled. Deferred taxes are charged directly to income, except for those attributable to items recognized directly in equity, in which case the corresponding deferred taxes are also recognized in equity. Deferred-tax assets and liabilities can be offset when the taxpayer has a legally exercisable right to offset current tax assets and liabilities and when they refer to the same taxpayer, when they are due to the same tax administration and the Group plans to settle current tax assets and liabilities on a net basis. The net balance is recognized as a "deferred-tax asset" if positive or a "deferred-tax liability" if negative.

Financial liabilities

Financial liabilities consist of loans payable, including advances for the factoring of receivables, other financial liabilities, convertible and non-convertible bond, including derivatives.
Initially, financial liabilities other than derivatives are recognized at their fair value less transaction costs. Subsequently, they are valued at their amortized costs, which is their initial amount, less any principal repayments, adjusted upward or downward to reflect the amortization (by the effective interest rate method) of any differences between the initial value and the value at maturity.

With regard to lease liabilities, consistently with the IFRS 16 standard the Group, as lessee, recognizes separately from financial liabilities the lease liabilities measuring them at the present value of the payments due for leasing not yet settled at the lease commencement date. The payments due include the fixed payments (including the fixed payments in substance), net of any lease incentives to be received, the variable lease payments which depend on an index or a rate and the amounts expected to be paid as guarantee on the residual value. The lease payments include also the exercise price of a purchase option where it is reasonably certain that this option shall be exercised by the Group.

Convertible bonds are classified, at issuance, as “hybrid” or “compound” debt instruments. When the bond issue is considered a compound instrument since its placement, it is split into a debt and, residually, an equity component, as provided for in IAS 32 – Financial instruments: Presentation.
In the case of a “compound” instrument, the debt portion represents the fair value of a traditional bond that does not entail conversion right or option while the equity portion, which is determined on a residual basis in relation to the total amount of the loan, represents the value of the bond conversion option into DiaSorin S.p.A. shares. Transactions costs are proportionally allocated to the debt and equity portions.

Financial Derivatives

Consistent with the provisions of IFRS 9, derivatives qualify for hedge accounting only when (i) there is formal designation and documentation of the hedging relationship, including the Group’s objective and strategy in risk management at the inception of the hedge and (ii) the hedge is expected to be effective.
When financial instruments qualify for hedge accounting, the following accounting treatments are applied:

- *Fair value hedge*: if a derivative is designated as hedging the exposure to changes in fair value of a recognized asset or liability attributable to a specific risk that could have an impact on the income statement, the gains or losses derived from subsequent fair value measurements of the hedge are recognized in earnings. Gains or losses on the hedged item that are attributable to the hedged risk change the carrying amount of the hedged items and are also recognized in earnings;
- *Cash flow hedge*: if a derivative is designated as a hedging of the exposure to variability in the future cash flows attributed to a recognized asset or liability or to a highly probable future transaction that could have an impact on the income statement, the effective portion of the gain or loss stemming from changes in the fair value of the hedge is recognized in equity. The effective portion of any gain or loss is reclassified from shareholders’ equity to the income statement in the same period in which the hedged transaction is recognized. Any gains or losses

associated with a hedge that has become ineffective are immediately recognized in earnings. If a hedge or a hedging transaction is closed out but the hedged transaction has not yet been executed, all accumulated gains and losses (which until then were recognized in equity) are recognized in the income statement when the corresponding transaction is executed. If the occurrence of the hedged transaction is no longer viewed as probable, unrealized gains and losses suspended in equity are immediately transferred to the income statement.

The hedge effectiveness is determined at the inception of the hedge relationship, through periodic assessments of the prospective hedge effectiveness to ensure the existence of an economic relationship between the hedged item and the hedging instrument.

When hedge accounting cannot be applied, all gains and losses generated by subsequent fair value measurements of derivatives are immediately recognized in earnings.

The fair value of financial instruments that are listed on an active market is based on market prices at the balance sheet date. The fair value of financial instruments that are not are listed on an active market is determined using valuation techniques based on a series of methods and assumptions, and market information at the balance sheet date.
The following provides a classification of financial instruments recorded at fair value in a three-level hierarchy:

- Level 1: Fair value is determined on the basis of (unadjusted) quoted prices in active markets for identical assets or liabilities;
- Level 2: Fair value is determined using valuation techniques based on observable inputs on active market;
- Level 3: Fair value is determined using valuation techniques based on market unobservable inputs.

Revenue recognition

Revenues are recognized when control over assets sold to end customers or distributors has been transferred and related contractual obligations have been met. Revenues are measured as the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services (net of discounts, allowances and return).

Revenues
Sales to end customers (made by the Group through its subsidiaries) are based on a business model which provides for reagents supply and the provision of a diagnostic instrument along with its technical support (identified as a single performance obligation). Sales revenues are recognized when control over diagnostic kits is transferred to the end customer ("at point in time").
Sales to distributors (the so-called export market where DiaSorin is not present through a direct distribution channel), which provide for separate sale of kits/reagents and/or instruments are identified as separate performance obligation since kits, reagents and instruments will be combined and configured by the distributor and sold to the end customer. The relevant revenues are recognized when control over instruments and/or reagents is transferred to their distributor.
The acquisition of the Luminex Group implemented a new business line, known as *"licensed technology"*, the revenues of which derive from instrument sales, technical support and related

royalties. Revenues from instrument sales are recognized when customer obtains control of the product, and this generally occurs when the product is shipped. Customers have no contractual right to return instruments, except for normal product warranty clauses.

Service revenues
Service revenues are generated by separate contracts for technical support.
These revenues are recognized in the income statement based on the percentage of completion of each transaction and only when the outcome of the transaction can be estimated reliably.

Royalties
The Company collects royalties from third parties for the use of proprietary technology and of patents required to manufacture specific products. Revenues from royalties, which are generally based on the sales revenues generated by patent users, are recognized when underlying sales transactions are concluded.

Interest income
Interest income is recognized in the income statement at the effective yield rate. It is earned mainly on interests on arrears.

Dividends

Dividends distributed by the Parent Company are recognized when the right of the Company's shareholders to receive payment is established, which generally occurs when the Shareholders' Meeting approves the dividend distribution resolution. The dividend distribution is recognized as a liability in the financial statements for the period during which the dividend distribution is approved by the Shareholders' Meeting.

Government grants

Government grants are recognized when there is a reasonable certainty that they will be collected. This occurs when the distributing public entity approves a formal resolution to that effect.
Grants received in connection with the purchase of property, plant and equipment or the capitalization of development costs are recognized among non-current liabilities and recognized in the income statement in equal instalments computed on the basis of the useful lives of the assets for which the grant was received.

Grants received as an interest subsidy upon the occurrence of specific events are recognized in the income statement at the present value of the benefit, when there is a formal commitment to grant the benefit by the distributing public entity. The corresponding liabilities are recognized at their fair value on the date the grant was received. Interest on this liability is recognized in the income statement in accordance with the amortized cost method.

Cost of sales

Cost of sales represents the cost incurred to produce or purchase the goods and merchandise sold by the Company. It includes all of the costs incurred to purchase and process materials and the overhead directly attributable to production.
Overhead includes depreciation of the property, plant and equipment and the amortization of the intangible assets used for production purposes, as well as inventory write-downs. Cost of sales also includes freight paid to deliver products to customers.

Research and development costs

This item includes research and development costs that cannot be capitalized and the amortization of capitalized development costs.

Interest expense

Interest expense is recognized in accordance with the accrual principles, based on the financed amount and the applicable effective interest rate.

Earnings per share

Basic earnings per share are computed by dividing the portion of the net profit or loss attributable to holders of common shares of the Group's Parent Company (the numerator) by the weighted average number of common shares outstanding during the year (the denominator).
Diluted earnings per share are computed by adjusting the portion of the net profit or loss attributable to holders of common shares of the Group's Parent Company (the numerator) and the weighted average number of common shares outstanding during the year (the denominator) to take into account all potential shares with a dilutive effect. A potential share is a financial instrument or other contract that can convey to its holder the right to receive common shares.

Material extraordinary events and transactions – Atypical and/or unusual transactions

Consistent with Consob Communication No. DEM/6064293 of July 28, 2006, the notes to the financial statements provide information about the impact of non-recurring material extraordinary events and transactions and/or atypical and/or unusual transactions on the Group's balance sheet, financial position and operating performance.
The abovementioned Consob Communication defines as atypical and/or unusual transactions those transactions that, because of their significance/materiality, type of counterparty, purpose, method used to determine the transfer price and timing (close to the end of the year), could give rise to doubts with regard to: the accuracy/completeness of the disclosure provided in the financial statements, conflict of interests, safety of the corporate assets and protection of minority shareholders.

Related parties

Consistent with CONSOB Communication No. DEM/6064293 of July 28, 2006, the notes to the financial statements provide information about the impact of related-party transactions on the Group's balance sheet, financial position and income statement.

New accounting standards

Below are the international accounting standards, interpretations and amendments to existing accounting standards and interpretations or specific provisions contained in the standards and interpretations approved by IASB, which have been endorsed or have not been endorsed for adoption in Europe as of the date on which this document is approved.

New documents issued by IASB and endorsed by the EU to be compulsorily adopted starting from the financial statements of the financial years starting from January 1, 2021.

Title of the document	Date of issue	Date of entry into force	Endorsement date	EU Regulation and dateofpublication
Interest rate benchmark reform — phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).	August 2020	1 January 2021	13 January 2021	(EU) 2021/25 14 January 2021
Covid-19-related rent concessions beyond 30 June 2021 (Amendment to IFRS 16)	March 2021	1 April 2021	30 August 2021	(EU) 2021/1421 31 August 2021
Extension of the temporary exemption from applying IFRS 9 (Amendment to IFRS 4)	June 2020	1 January 2021	15 December 2020	(EU) 2020/2097 16 December 2020

IAS/IFRS and related IFRIC interpretations applicable to financial statements for financial years beginning after 1 January 2021.

Title of the document	Date of issue	Date of entry into force	Date of endorsement	EU Regulation and date of publication
Improvements to IFRS (2018–2020 cycle) [Amendments to IFRS 1, to IFRS 9, to IFRS 16 and to IAS 41]	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021
Property, plant and equipment – Proceeds before intended use (Amendments to IAS 16)	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021
Onerous contracts – Cost of fulfilling a contract (Amendments to IAS 37)	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021
Reference to the conceptual framework (Amendments to IFRS 3)	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021
IFRS 17 – Insurance contracts (including amendments published in June 2020)	May 2017 June 2020	1 January 2023	19 November 2021	(EU) 2021/2036 23 November 2021

IAS/IFRS and related IFRIC interpretations applicable to financial statements for financial years beginning after 1 January 2021. Documents NOT yet endorsed by the EU at 31 December 2021

It should be noted that these documents will be applicable only after their endorsement by the EU.

Title of the document	Date of issue by the IASB	Date of entry into force of the IASB document	Date of EU's expected endorsement
Standards			

IFRS 14 Regulatory Deferral Accounts	January 2014	1 January 2016	Endorsement suspended, pending the new accounting standard on "rate-regulated activities".
Amendments			
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	September 2014	Deferred until the completion of the IASB project on equity method	Endorsement suspended, pending the conclusion of the IASB project on the equity method
Classification of Liabilities as Current or Non-current (Amendments to IAS 1), including subsequent amendment issued in July 2020 [9]	January 2020 July 2020	1 January 2023	TBD
Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2)	February 2021	1 January 2023	TBD
Definition of Accounting Estimates (Amendments to IAS 8)	February 2021	1 January 2023	TBD
Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)	Maggio 2021	1 January 2023	TBD
Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17)	December 2021	1 January 2023	TBD

The Group will adopt these new standards, amendments and interpretations on the basis of their relevant effective dates and when endorsed by the European Union. An assessment is being carried out to analyze the potential effects of introducing these amendments in the consolidated financial statements.

New accounting standards endorsed and adopted by the Group

This note presents the impact of the adoption of amendments to the accounting standards - applied from 1 January 2021 - on the consolidated financial statements to the extent that they differ from those applied in the previous periods.

It should be noted that these amendments had not material impact on the Consolidated Financial Statements at December 31, 2021.

Interest Rate Benchmark Reform – phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 AND IFRS 16).

The IASB issued "*Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform*", which amends IFRS 9 - *Financial Instruments* and IAS 39 - *Financial Instruments: Recognition and Measurement* and IFRS 7 - *Financial Instruments: Disclosures*. Specifically, the amendment modifies some specific hedge accounting requirements, providing for temporary dispensations, to provide relief from potential effects of the uncertainty caused by the IBOR reform (still in progress) on future cash flows in the period preceding its completion. The amendment also requires companies to provide further information in the financial statements regarding their hedge relationships that are directly affected by the uncertainties generated by the reform to which the aforementioned dispensations apply. The amendments had no material impact on the Group's consolidated financial statements.

Covid-19-related rent concessions beyond 30 June 2021 (Amendment to IFRS 16).

[9] The IASB is carrying out a project to amend the requirements of the document published in 2020 and postpone its entry into force to1 January 2024. The Exposure Draft was published on 19 November 2021.

The IASB issued the amendment to IFRS 16. The amendment allows a lessee not to apply the requirements in IFRS 16 on the accounting effects of contractual changes for lease reductions granted by lessors that are a direct consequence of the COVID-19 pandemic. The amendment introduces a practical expedient whereby a lessee may choose not to assess whether the reduction in lease payments represents a contractual change. A lessee who chooses to use this expedient accounts for these reductions as if they were not contractual changes for the purpose of IFRS 16.
Contractual changes had to be applied until June 30, 2021, but since the impact of the Covid-19 is still continuing, on March 31, 2021, the IASB extended the application period of the practical expedient until June 30, 2022.
Amendments are applicable to financial years beginning on or after April 1, 2021.

Accounting principles issued but not yet endorsed
The Group is assessing any possible impacts resulting from the introduction of amendments to standards and interpretations that at the date of the Report had already been issued but not yet effective although such amendments are not expected to have a material impact on the consolidated financial statements.
The Company intends to adopt these standards and interpretations, if applicable, once they are effective.
Amendments to *IFRS 3, IAS 16, IAS 37 and IAS 1* are as follows:

<u>Amendments to *IFRS 3, IAS 16 and to IAS 37*</u>

On May 14, 2020, the IASB published the following amendments:

- Amendments to IFRS 3 - Business Combinations: the amendments update the IFRS 3 reference to the Conceptual Framework without changing the provision of the IFRS 3 accounting standard.
- Amendments to IAS 16 - Property, Plant and Equipment: the amendment prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.
- Amendments to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets: the amendments clarify that in assessing whether a contract is onerous, all costs that relate directly to the contract should be included. Therefore, the assessment of a probable onerous contract includes either incremental cost (for example direct labor material) or all costs the company cannot avoid as they relate directly to fulfilling contract (for example, the share of staff expenditure and depreciation of equipment used in fulfilling the contract).
- Annual Improvements 2018-2020: amendments applied to IFRS 1 - First-time Adoption of International Financial Reporting Standards, to IFRS 9 - Financial Instruments, to IAS 41 - Agriculture and to Illustrative Examples of the IFRS 16 - Leases.

The amendments will come into effect on January 1, 2022. The Management does not expect the adoption of these amendments to have a material effect on the Company’s consolidated financial statements.

Amendments and new standards, which are not yet endorsed, apply to financial years beginning on or after 1 January 2023. Early application is permitted, provided that the entity reports it.

ANALYSIS OF FINANCIAL RISKS– GROUP

The financial risks to which the Group is exposed include market risks and, to a lesser extent, credit risk and liquidity risk, as previously described in the report on operations.

The table below lists material assets/liabilities in accordance with the requirements of IFRS 7:

		12/31/2021				12/31/2020				
(€ thousands)	**Notes**	**Carrying Value**	**Assets at amortized cost**	**Assets at fair value**	**Assets at fair value with changes in the Comprehensive Income**	**Carrying Value**	**Assets at amortized cost**	**Hedging instruments**	**Assets at fair value**	**Assets at fair value with changes in the Comprehensive Income**
Trade receivables	(16)	217,588	217,588	-	-	165,678	165,678	-	-	-
Other current financial assets	(20)	-	-	-	-	-	-	-	-	-
Financial derivatives	(20)	6,245	-	(1,037)	7,282	126	-	-	126	-
Cash and cash equivalents	(18)	403,020	403,020	-	-	339,881	339,881	-	-	-
Total current financial assets		***626,853***	***620,608***	**(1,037)**	**7,282**	***505,685***	***505,559***	**-**	***126***	**-**
Total financial assets		**626,853**	**620,608**	**(1,037)**	**7,282**	**505,685**	**505,559**	**-**	**126**	**-**

		12/31/2021			12/31/2020		
(€ thousands)	**Notes**	**Carrying Value**	**Liabilities at amortized cost**	**Liabilities at fair value**	**Carrying Value**	**Liabilities at amortized cost**	**Liabilities at fair value**
Liabilities for Put/Call option rights	(22)	6,107	-	6,107	23,079	-	23,079
Financial lease liabilities (IFRS 16)	(20)	66,479	66,479	-	30,451	30,451	-
Non-current financial liabilities	(22)	1,228,268	1,228,268	-	-	-	-
Total non-current financial liabilities		***1,300,854***	***1,294,747***	***6,107***	***53,530***	***30,451***	***23,079***
Trade payables	(23)	84,773	84,773	-	65,485	65,485	-
Financial lease liabilities (IFRS 16)	(20)	9,644	9,644	-	4,209	4,209	-
Current financial liabilities	(20)	90,767	90,767	-	-	-	-
Total current financial liabilities		***185,184***	***185,184***	**-**	***69,694***	***69,694***	**-**
Total financial liabilities		**1,486,038**	**1,479,931**	**6,107**	**123,224**	**100,145**	**23,079**

With regard to the above, the classification of financial assets and liabilities measured at fair value in the statement of financial position, according to the fair value hierarchy, concerned derivative financial instruments at December 31, 2021. These instruments are classified at level 2 and entered into other current financial assets amounting to € 6,245 thousand (including financial assets relating to IRS contracts for € 7,282 thousand and liabilities for € 1,037 thousand relating to the fair value of derivatives hedging exchange-rate exposure).

With regard to put/call options, the amount refers to the rights envisaged by the new Joint Venture contract in China, which have been entered according to IAS 32 and IFRS 9 standards. Specifically, the JV contract that contains an obligation for the Group to purchase its own equity instruments for cash or other financial asset gives rise to a financial liability for the present value of the redemption amount. Such amount is not included in the net financial debt.

Non-current financial liabilities and assets are settled or valued at market rates, so their fair value is substantially in line with the current book value.

The duration of the financial liabilities is provided in Note 20.

Risks related to fluctuations in foreign exchange and interest rates

The Group is exposed to market risk deriving from currency and interest rate fluctuations as it operates in an international framework in which transactions are made in different currencies and interest rates.

As to interest rates, the Group used Interest Rate Swaps as hedges against the debt in US dollar (on which interest accrues at a floating rate) of the subsidiary DiaSorin Inc.'s for the Luminex acquisition, with the recognition of a net positive fair value of € 7,282 thousand at December 31, 2021. Interests do not accrue on the convertible bond issued in Euros by the Group's Parent Company in 2021, therefore there are no risks deriving from an interest rate increase. With regard to financial liabilities arising from the application of IFRS 16, the exposure to the interest rate risk is not material, since no significant changes occurred in the incremental borrowing rate.

Some Group subsidiaries are located in countries that are not members of the European Monetary Union. Since the Group's reporting currency is the euro, the income statements of these companies are translated into euros at the average exchange rate for the year. Consequently, even if revenues and margins were to remain equal when stated in the local currency, fluctuations in exchange rates could have an impact on the euro amount of revenues, expenses and operating results due to the translation into the consolidation currency. An analysis of the changes affecting the main currencies used by the Group has shown that a 5% change in the exchange rates of all of the currencies used by the Group would have an impact on the income statement of about € 10 million.

The euro amount attributed to assets and liabilities of consolidated companies that use reporting currencies different from the euro could vary as a result of changes in exchange rates. As required by the accounting principles adopted by DiaSorin, these changes are recognized directly in equity by posting them to the currency translation reserve. A 5% change in all foreign exchange rates would have an impact of about € 29 million on the "currency translation reserve".

In 2021, in order to mitigate the foreign exchange risk related to the currency fluctuations, the Group's Parent Company executed currency forward sales requiring the recognition of a negative fair value of € 1,037 thousand at December 31, 2021 (positive fair value of € 126 thousand at December 31, 2020).

Credit risk

The Group's receivables present a low level of risk both due to the sector in which DiaSorin operates where end customers are, to a large extent, public institutions and due to the high financial soundness of its main private customers. Considering the Group's economic and financial performance, the economic scenario caused by the COVID-19 pandemic had no material impact on the Group's trade receivables and, therefore, it was not necessary to adjust the determination of the recoverability of receivables recognized in the balance sheet, according to the "Expected Credit Loss" model defined by the IFRS 9 standard.

The Group's receivables present a low level of risk since most of these receivables are owed by public institutions or large groups of international laboratories.
At December 31, 2021, past-due trade receivables were equal to about 4.1% of revenues. These receivables were held mainly by the Group's Parent Company and by the U.S., Brazilian and Spanish subsidiaries. These past-due receivables were covered by an allowance for doubtful accounts amounting to € 9,786 thousand. In addition, in order to bridge the gap between contractual payment terms and actual collection times, the Group resorts to factoring receivables without recourse.

A breakdown of trade receivables and provision for doubtful accounts at December 31, 2021 is as follows:

Type	**Expiring**	**0 - 90**	**91 - 180**	**181 - 360**	**Past due for over 360**	**Total due**	**Total receivables**
Trade receivables	178,976	30,932	3,535	4,213	11,902	50,581	229,557
Expected loss rate	***0%***	***4%***	***12%***	***58%***	***66%***	***24%***	***n.a***
Provision for doubtful account	-	(1,200)	(440)	(2,450)	(7,878)	(11,969)	(11,969)
Net value	**178,976**	**29,731**	**3,095**	**1,762**	**4,024**	**38,612**	**217,588**

Liquidity risk

A prudent cash management strategy includes maintaining sufficient cash or readily available assets and credit lines, to meet immediate liquidity needs. Cash flows, funding requirements and liquidity levels are monitored centrally to ensure promptly and effectively the availability of financial resources and invest appropriately any excess liquidity.
In 2021, the Luminex acquisition required the use of long-term financial resources structured in such a way as to ensure maintaining an adequate level of liquidity and the repayment profile of which is compatible with the Group's expected cash generation.
Management believes that the funds and credit lines currently available, when combined with the resources generated by operating and financing activities, will enable the Group to meet the obligations resulting from its capital investment programs, working capital requirements and the need to repay its indebtedness upon maturity.

At the end of 2021, cash and cash equivalent were € 403,020 thousand, while payables to banks and to other financiers consisted of:

- DiaSorin Inc.'s bank loan - € 879,516 thousand;
- Convertible bond - € 439,520 thousand.

A breakdown of the net consolidated financial debt is as follows:

	(€ thousands)	**12/31/2021**	**12/31/2020**
A	Cash on hand	403,020	339,881
B	Cash equivalent	-	-

C	Other current financial assets	-	126
D	**Current financial assets (A + B + C)**	**403,020**	**340,007**
E	Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	9,644	4,209
F	Current portion of non-current financial debt	90,767	-
G	**Current financial debt (E+F)**	**100,411**	**4,209**
H	**Net current financial debt (G - D)**	**(302,609)**	**(335,798)**
I	Non-current financial debt (excluding the current portion and debt instruments)	848,982	30,451
J	Debt instruments	439,520	-
K	Trade payables and other non-current debts	-	-
L	**Non-current financial debt (I + J + K)**	**1,288,502**	**30,451**
M	**Net financial debt (H + L)**	**985,894**	**(305,347)**

ITEMS THAT INVOLVE THE USE OF SIGNIFICANT ASSUMPTIONS AND ESTIMATES

The preparation of financial statements in accordance with the IFRSs requires the use of estimates for some material amounts. In addition, the Group's management is required to make judgments and assumptions as to how the Group's accounting policies should be applied in certain areas.

The process of drafting financial statements involves the use of estimates and assumptions about future events. These estimates represent the best assessment possible on the date of the financial statements. However, because of their very nature, they could produce material changes in balance sheet amounts in future years.

Estimates are updated on an on-going basis by the Group's management and are based on past experience, all other known factors and the occurrence of future events that are reasonably expected to take place. Special care is used in this area in view of the high level of uncertainty that characterizes the macroeconomic context.

The main items affected by estimates are reviewed below:

Allowance for doubtful accounts

The Allowance for doubtful accounts reflects management's estimates about losses that could be incurred in the portfolio of accounts receivable from end customers and from the indirect distribution network (independent distributors). The allowance for doubtful accounts' estimate is based on the expected credit loss 'ECL' model calculated as the difference between the contractual cash flows due and the cash flows the Group expects to receive, determined on the basis of past experience for similar receivables, the current and historical past due percentages, losses and collections, and the careful monitoring of credit quality, considering current conditions and assumptions concerning future economic conditions.

Provision for inventory write-downs

The Provision for inventory write-downs reflects management's estimates of the Group's loss expectations, determined on the basis of past experience and historical and projected trends in the market for in vitro diagnostics.

Finite useful life of tangible and intangible assets
The cost of tangible and intangible assets is amortized and depreciated according to the straight-line basis over the estimated useful life of the asset. The useful life is determined by the directors when such assets are purchased and is based on historical experience of similar assets, market conditions and expectations regarding future events that may have an impact, including new technologies. Therefore, the actual useful life may differ from the estimated useful life.
Development costs that meet the requirements for capitalization are recognized as intangible assets.

Impairment of non-current assets
Non-current assets include property, plant and equipment, intangible assets (including goodwill), equity investments and other financial assets. Management reviews the carrying amounts of non-current assets held and in use and available-for-sale assets on a regular basis and whenever events or circumstances make such review necessary. The recoverable value of property, plant and equipment and intangible assets (including goodwill and know how) is verified using criteria that are consistent with the requirements of IAS 36, which are explained in the section of these Notes entitled "Impairment of assets."

Pension plans and other post-employment benefits
The companies of the Group are parties to pension and health benefit plans in different countries. The Group's largest pension plans are in Sweden, Germany and Italy. Management uses different statistical assumptions and evaluation factors to project future events and compute the costs, liabilities and assets related to these plans. Assumptions are made with regard to the discount rate, the expected yield of plan assets, the rates of future increases in employee compensation and trends in health care costs. The actuaries who provide the Group with consulting support also use subjective parameters, such as employee mortality and termination rates.

Stock option plans
The measurement of stock option plans at fair value requires the formulation of specific assumptions, the most significant of which include the following:
- the value of the underlying shares on the valuation date;
- the expected volatility of the price/value of the underlying shares;
- the dividend yield of the underlying shares.

Contingent liabilities
The Group is a party to legal and tax disputes that are under the jurisdiction of various countries. Given the uncertainty inherent in such situations, it is difficult to predict with certainty any expense that may result from these disputes. In the normal course of business, management relies on the support of its legal counsel and of experts on legal and taxation issues. The Group recognizes a liability in connection with these disputes when it believes that the occurrence of a cash outlay is probable and the amount of the resulting loss can be reasonably estimated. When a cash outlay becomes probable, but the amount cannot be determined, this fact is disclosed in the notes to the financial statements.

Derivatives
Option contracts concerning minority interests in subsidiaries executed with minority shareholders are recognized, on the date of execution, as financial liabilities with the offsetting entry posted to other

equity reserve, by estimating the present "redemption amount" value. The value of these liabilities is periodically adjusted.

The fair value of financial instruments is based on market quotations or, where unavailable, applying suitable evaluation techniques that use updated financial variables used by market investors and, where possible, taking into account the prices of recent similar transactions on financial instruments. Derivatives are classified as hedging instruments when the link between the derivative and the hedged item is formally documented and, subject to periodic checks, the effectiveness of the hedge is high. Compliance with the requirements defined in IFRS9 to qualify for hedge accounting is verified periodically. Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized in profit and loss.

Convertible bond
As regards items that involve the use of significant assumptions and estimates, prepared for the consolidated annual financial statements at December 31, 2021, it should be noted the convertible bond valuation. Since its placement, the Bond Issue convertible into ordinary shares amounting to € 500 million due 2028 (Senior unsecured equity-linked bond) issued by DiaSorin S.p.A. on April 28, 2021 has been considered a compound instrument as it is split into a debt and, residually, an equity component, as provided for in IAS 32 – Financial instruments: Presentation.
The equity instrument represents the value of the bond conversion option into DiaSorin S.p.A. shares.

Business combinations
Business combinations are recognized by allocating the difference between the acquisition cost and the net book value to the assets and liabilities of the acquired company. For most assets and liabilities, the allocation of the difference is carried out by recognizing the assets and liabilities at their fair value. The unattributed portion, if positive, is recognized as goodwill; if negative, it is attributed to the income statement. In the allocation process, DiaSorin uses the available information while for the most significant business combinations the company uses external evaluations.

Climate change
Given the business model in which DiaSorin operates, the Group is not significantly exposed to environmental risks, especially in relation to Climate Change. A detailed analysis of EHS-related risks is provided in the consolidated Non-Financial Statements prepared in compliance with the requirements of Legislative Decree 254/2016.

SEGMENT INFORMATION AT DECEMBER 31, 2021 AND AT DECEMBER 31, 2020

In accordance with IFRS 8, the Group designated the geographic regions where it operates as its operating segments.

The Group's organization and internal management structure and its reporting system are segmented as follows: Italy and U.K. Branch, Europe (Germany, France, Belgium and the Netherlands, Spain and Portugal, Ireland, Austria, Great Britain, Scandinavia, Czech Republic, Slovakia, Switzerland and Poland), North America (United States and Canada) and Rest of the World (Brazil, Mexico, Israel, China, Australia, India and South Africa).

The Group is characterized by an organization of its commercial structure by geographic regions, which was adopted to accommodate the Group's geographic expansion and strategic initiatives. The logic of this new organization reflects the destination of the Group's sales, dividing the sales areas into four regions: Europe and Africa, North America, Central and South America, Asia Pacific and China.

As a result, the communication of the financial data of the DiaSorin Group to the financial markets and the investing public is being changed to show revenue data aligned with its organization by regions.

The schedules that follow show the Group's operating and financial data broken down by geographic region identifying, as required by IFRS 8 paragraph 5:

- Activities generating revenues and expenses (including revenues and expenses relating to transactions with other components of the same entity);
- Operating results that are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- Discrete financial information about assets, liabilities, revenues and expenses.

No unallocated common costs are shown in the abovementioned schedules and hence each segment is equipped with comprehensive independent organizations (sales, technical support and accounting) fully capable of exercising its function. Moreover, Italy segment invoices each quarter to the other segments the activities costs that are incurred centrally by the Corporate division to support Group's companies.

Eliminations refer primarily to inter-segment margins that are eliminated at consolidation. Specifically, the elimination of the margin earned by Italy segment through the sale of equipment to other segments is carried out both at the result and investment levels. The margin generated by products sold by the manufacturing locations to the commercial branches but not yet sold to outsiders is eliminated only at the result level.

Segment assets include all operating items (non-current assets, receivables and inventory) but not tax-related items (deferred-tax assets) and financial assets, which are shown at Group level.
The same approach was used for segment liabilities, which include operating items (mainly trade payables and amounts owed to employees) but do not include financial and tax liabilities or shareholders' equity, which are shown at Group level.

	ITALY		EUROPE		NORTH AMERICA		REST OF THE WORLD		ELIMINATIONS		CONSOLIDATED	
(€ thousands)	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
INCOME STATEMENT												
Revenues from customers	228,758	182,043	285,165	232,768	604,372	368,287	119,359	98,207	-	-	1,237,654	881,305
Inter-segment revenues	354,334	288,976	17,770	13,182	161,058	109,015	176	937	(533,338)	(412,110)	-	-
Total revenues (1)	**583,092**	**471,019**	**302,935**	**245,950**	**765,430**	**477,302**	**119,535**	**99,144**	**(533,338)**	**(412,110)**	**1,237,654**	**881,305**
Segment EBIT	**167,379**	**129,966**	**36,561**	**29,903**	**217,697**	**177,403**	**4,970**	**2,880**	**(7,108)**	**(15,926)**	**419,499**	**324,226**
Unallocated common costs											-	-
Operating margin											**419,499**	**324,226**
Other net income/(expense)											-	-
Financial income/(expense)											(20,164)	(2,853)
Result before taxes											**399,335**	**321,373**
Income taxes											(88,603)	(73,077)
Net result											**310,732**	**248,296**
OTHER INFORMATION												
Investments in intang.	13,062	9,915	86	102	35,054	21,681	715	652	-	-	48,917	32,350
Invest. in prop.plant and equip	22,867	16,418	12,951	14,137	33,823	14,731	8,880	12,349	(2,650)	(2,973)	75,871	54,662
Total investments	**35,929**	**26,333**	**13,037**	**14,239**	**68,877**	**36,412**	**9,595**	**13,001**	**(2,650)**	**(2,973)**	**124,788**	**87,012**
Amortization of intangibles	(9,722)	(9,615)	(5,934)	(5,916)	(36,885)	(13,124)	(860)	(792)	4,520	1,970	(48,881)	(25,255)
Depre. of prop.plant and equip	(13,973)	(13,177)	(10,121)	(9,280)	(21,112)	(9,219)	(4,167)	(4,063)	2,242	2,181	(47,131)	(33,558)
Total amort. and deprec.	**(23,695)**	**(22,792)**	**(16,055)**	**(15,196)**	**(57,997)**	**(22,343)**	**(5,027)**	**(4,855)**	**6,762**	**4,151**	**(96,012)**	**(58,813)**

	ITALY		EUROPE		NORTH AMERICA		REST OF THE WORLD		ELIMINATIONS		CONSOLIDATED	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
STATEMENT OF FINANCIAL POSITION												
Segment assets	477,416	428,985	172,686	174,222	2,292,835	425,907	74,370	60,734	(238,148)	(216,515)	2,779,159	873,333
Unallocated assets											451,992	373,113
Total assets	**477,416**	**428,985**	**172,686**	**174,222**	**2,292,835**	**425,907**	**74,370**	**60,734**	**(238,148)**	**(216,515)**	**3,231,152**	**1,246,446**
Segment liabilities	136,249	115,278	113,286	95,191	141,218	91,673	36,607	32,589	(155,368)	(119,160)	271,992	215,570
Unallocated liabilities											1,591,220	74,557
Shareholders' equity											1,367,939	956,319
Total liabilities and shareholders' equity	**136,249**	**115,278**	**113,286**	**95,191**	**141,218**	**91,673**	**36,607**	**32,589**	**(155,368)**	**(119,160)**	**3,231,152**	**1,246,446**

(1) Revenues are recognized at a point in time when control over distributed products is transferred to end customers

DESCRIPTION AND MAIN CHANGES

Consolidated income statements

In the income statement, costs are classified by function.

Insofar as a classification of expenses by nature is concerned, depreciation and amortization expense totaled € 96,012 thousand (€ 58.813 thousand in 2020), broken down as follows:

(€ thousands)	**12/31/2021**	**12/31/2020**
Depreciation of property, plant and equipment	47,131	33,558
Amortization of intangibles	48,881	25,255
Total	**96,012**	**58,813**

Depreciation of property, plant and equipment includes € 19,100 thousand attributable to equipment held by customers, which in the income statement by destination is part of the cost of sales. An additional € 13,973 thousand representing depreciation of plant and machinery and manufacturing and distribution equipment is included among production expenses (€ 8,587 thousand in 2020).

The amortization of intangible assets is recognized mainly as part of research and development costs (€ 19,312 thousand), sale and marketing expenses (€ 26,609 thousand) general and administrative expenses (€ 2,037 thousand).

Labor costs amounted to € 267,639 thousand (€ 195,103 thousand in 2020), including € 63,313 thousand relating to Luminex.
A breakdown is as follows:

(€ thousands)	**2021**	**2020**
Wages and salaries	219,329	148,957
Social security contributions	25,118	25,748
Severance indemnities and other benefits paid	3,290	5,270
Cost of stock option plan	6,432	4,817
Other labor costs	13,470	10,310
Total	**267,639**	**195,103**

The table below shows the average number of Group employees in each category:

	2021	**2020**
Factory staff	575	330
Office staff	2,060	1,562
Managers	166	111
Total	**2,801**	**2,003**

1. Net revenues

In 2021, net revenues, which are generated mainly through the sale of diagnostic kits, totaled € 1,237,654 thousand (€ 881,305 thousand in 2020), up 40.4% compared to 2020 (+41.2% at CER).
A breakdown of revenues by customer location in outlet markets:

(€ thousands)	2021	2020	Change %
Europe and Africa	492,648	391,430	25.9%
USA and Canada	389,713	357,117	9.1%
Asia Pacific	119,364	100,598	18.7%
Latin America	40,884	32,160	27.1%
Luminex Group	195,045	n.a.	n.a.
Total	**1,237,654**	**881,305**	**40.4%**

With reference to Luminex Group revenues, it should be noted that the main outlet market refers to "United States and Canada".

2. Cost of sales

In 2021, the cost of sales amounted to € 412,883 thousand, as against € 278,400 thousand in 2020. This item includes, in addition to costs for diagnostic kits production, royalties paid for the use of patents applied to manufacture products amounting to € 29,203 thousand (€ 16,372 thousand in 2020), costs incurred to distribute products to end customers totaling € 17,069 thousand in (€ 11,957 thousand in 2020) and depreciation of equipment held by customers equal to € 19,493 thousand (€ 17,836 thousand in 2020).

3. Sales and marketing expenses

Sales and marketing expenses amounted to € 211,342 thousand, as against € 144,064 thousand in 2020. This item consists mainly of marketing costs incurred to promote and distribute DiaSorin products, costs attributable to the direct and indirect sales force and the cost of the technical support offered together with the Group-owned equipment provided to customers under gratuitous loan contracts. Amortizations of intangibles deriving from the Luminex acquisition were € 26,609 thousand.

4. Research and development costs

Research and development costs, which totaled € 70,091 thousand (€ 50,800 thousand in 2020), include the research and development outlays that were not capitalized, equal to € 34,972 thousand (€ 26,754 thousand in 2020), costs incurred to register the products offered for sale and meet quality requirements totaling € 22,513 thousand (€ 16,362 thousand in 2020) and the amortization of capitalized development costs equal to € 12,606 thousand (€ 7,683 thousand in 2020). In 2021, the Group capitalized new development costs amounting to € 46,133 thousand, as against € 20,257 thousand in 2020; the increase in capitalized costs include the activities for the development of the LIAISON NES project.

5. General and administrative expenses

General and administrative expenses, which include expenses incurred for corporate management activities, Group administration, finance and control, information technology, corporate organization and insurance, totaled € 93,270 thousand in 2021 (€ 72,083 thousand in 2020). The item includes €

8,269 thousand in costs attributable to Directors and strategic executive compensation (€ 8,004 thousand in 2020).

6. Other operating income (expenses)

A breakdown of other operating income and expenses is as follows:

(€ thousands)	**12/31/2021**	**12/31/2020**
Tax liabilities	(1,406)	(801)
Accruals to the doubtful debts and provisions for risks and charges	(4,129)	(2,079)
Out-of-period items and other operating income (expense)	(3,132)	(2,966)
Write-down of tangible and intangible assets	-	(2,222)
Non-recurring expenses	(21,902)	(3,663)
Other operating income (expense)	**(30,569)**	**(11,732)**

The item accruals to the doubtful debts and provisions for risks and charges include increased accruals to the doubtful debts, amounting to € 1,172 thousand, as a consequence of a slow-down in payments by third-party distributors.

Out-of-period items and other operating income (expense) include income and expenses from operations that cannot be allocated to specific functional areas (such as gains and losses on asset sales, government grants, insurance settlements, reversals of unused provisions, additions to provisions for risks, incidental taxes and fees).

In 2021, non-recurring expenses of € 21,902 thousand include costs for the acquisition and integration of the Luminex Group.

7. Financial expense/(income)

The table below provides a breakdown of financial income and expense:

(€ thousands)	**12/31/2021**	**12/31/2020**
Factoring transactions fees	(474)	(486)
Interest expenses and other financial expenses	(21,340)	(2,943)
including: interest expense on leases	*(2,238)*	*(1,263)*
Interest on pension funds	(634)	(437)
Interest and other financial income	284	2,005
Foreign exchange differences and financial instruments	2,002	(992)
Net financial income (expense)	**(20,164)**	**(2,853)**

In 2021, net financial expenses amounted to € 20,164 thousand, as against € 2,853 thousand in 2020.

Interest expense and other financial expense include:

- € 1,923 thousand in costs for the bridge line to support the acquisition of the Luminex Group;
- € 6,018 thousand in financial charges at amortized cost relating to convertible bond issued by the Group's Parent Company;
- € 7,802 thousand relating to the bank loan to support the acquisition of the Luminex Group;

- € 2,238 thousand in interest expense on leases (€ 1,263 thousand in 2020).

Exchange differences and financial instruments, equal to € 2,002 thousand in 2021, include the ineffective portion of the IRS derivative hedging the Term Loan for the Luminex acquisition.

8. Income taxes

The income tax expense recognized in the income statement amounted to € 88,603 thousand (€ 73,077 thousand in 2020), broken down as follows:

(€ thousands)	**2021**	**2020**
Current income taxes:		
- Regional taxes (IRAP)	7,592	3,713
- Other income taxes	85,155	68,080
Other taxes (non-deductible tax withholdings/prior-period taxes)	(2,547)	(438)
Deferred taxes	(1,598)	1,722
IRAP amount	*14*	*119*
Total income taxes for the year	**88,603**	**73,077**

A reconciliation of the theoretical tax rate to the effective tax rate, without taking into account the IRAP liability and withholding taxes on dividends, is provided below:

(€ thousands)	**2021**	**2020**
Profit before taxes	399,335	321,373
Ordinary tax rate	24.0%	24.0%
Theoretical income taxes	95,597	77,130
Tax effect of permanent differences	(10,652)	(7,609)
Effect of foreign tax rates that are different from statutory Italian tax rates	(1,645)	162
Other differences		
Total income taxes	**83,543**	**69,683**
Effective tax rate	**20.9%**	**21.7%**

In 2021, the effective tax rate decreased to 20.9% from 21.7% in 2020.

9. Earnings per share

Basic earnings per share amounted to € 5.44 in 2021 (€ 4.53 in 2020). Diluted earnings per share totaled € 5.40 (€ 4.50 in 2020). Basic earnings per shares were computed by dividing the net profit attributable to the shareholders by the weighted average number of shares outstanding during the year 57,117,998 in 2021 and 54,757,637 in 2020.
The dilutive effect of stock option plans granted by DiaSorin S.p.A is determined by excluding tranches assigned to a price higher than the average price of the ordinary shares in 2021.

<u>Consolidated statement of financial position</u>

10. Property, plant and equipment

The tables below show the changes that occurred in the original cost of property, plant and equipment in 2021 and 2020:

(€ thousands)	At December 31, 2020	Additions	Business combinations	Translation differences	Net Divestments	Reclassifications and other changes	At December 31, 2021
Land	2,342	-	2,510	130	-	-	4,982
Buildings	27,636	570	6,369	977	-	3	35,555
Plant and machinery	40,945	5,543	-	635	(1,079)	2,934	48,978
Manufacturing and distribution equipment	187,755	35,516	27,614	10,875	(13,643)	3,970	252,087
Other assets	29,897	4,974	24,250	4,443	(924)	2,016	64,656
Advances and tangible in progress	15,656	21,731	-	1,062	-	(10,842)	27,607
IFRS 16 rights of use	43,654	7,536	41,674	4,472	(6,888)	-	90,448
Total property, plant and equipment	**347,884**	**75,871**	**102,417**	**22,596**	**(22,534)**	**(1,919)**	**524,313**

(€ thousands)	At December 31, 2019	Additions	Translation differences	Net Divestments	Reclassifications and other changes	At December 31, 2020
Land	2,366	-	(24)	-	-	2,342
Buildings	25,565	804	(579)	-	1,846	27,636
Plant and machinery	40,227	3,114	(712)	(1,221)	(463)	40,945
Manufacturing and distribution equipment	185,287	27,158	(9,293)	(17,955)	2,558	187,755
Other assets	28,985	1,547	(1,645)	(709)	1,719	29,897
Advances and tangible in progress	14,301	9,858	(525)	(6)	(7,973)	15,656
IFRS 16 rights of use	34,043	12,182	(1,848)	(661)	(62)	43,654
Total property, plant and equipment	**330,774**	**54,662**	**(14,626)**	**(20,552)**	**(2,375)**	**347,884**

The following changes occurred in the corresponding accumulated depreciation accounts in 2021 and 2020:

(€ thousands)	At December 31, 2020	Depreciation	Translation differences	Net Divestments	Reclassifications and other changes	At December 31, 2021
Buildings	17,336	1,000	602	-	-	18,938
Plant and machinery	26,425	3,257	247	(991)	-	28,938
Manufacturing and distribution equipment	135,298	29,816	7,377	(12,767)	(1,567)	158,157
Other assets	18,032	4,104	2,580	(478)	(19)	24,219
IFRS 16 rights of use	10,294	8,955	620	(1,625)	(380)	17,864
Total property, plant and equipment	**207,387**	**47,131**	**11,427**	**(15,861)**	**(1,967)**	**248,116**

(€ thousands)	At December 31, 2019	Depreciation	Translation differences	Net Divestments	Reclassifications and other changes	At December 31, 2020
Buildings	17,020	774	(458)	-	-	17,336
Plant and machinery	26,688	3,259	(370)	(1,142)	(2,010)	26,425
Manufacturing and distribution equipment	136,747	20,983	(6,962)	(15,373)	(97)	135,298
Other assets	16,521	2,764	(973)	(644)	364	18,032
IFRS 16 rights of use	5,413	5,778	(310)	(525)	(62)	10,294

Total property, plant and equipment	**202,389**	**33,558**	**(9,072)**	**(17,684)**	**(1,804)**	**207,387**

A breakdown of the net carrying value of property, plant and equipment at December 31, 2021 and 2020 is provided below:

(€ thousands)	**At December 31, 2020**	**Additions**	**Depreciation**	**Business combinations**	**Translation differences**	**Net Divestments**	**Reclassifications and other changes**	**At December 31, 2021**
Land	2,342	-	-	2,510	130	-	-	4,981
Buildings	10,299	570	(1,000)	6,369	375	-	3	16,615
Plant and machinery	14,519	5,543	(3,257)	-	388	(88)	2,934	20,041
Manufacturing and distribution equipment	52,457	35,516	(29,816)	27,614	3,498	(876)	5,537	93,931
Other assets	11,865	4,974	(4,104)	24,250	1,863	(446)	2,036	40,438
Advances and tangible in progress	15,656	21,731	-	-	1,062	-	(10,842)	27,607
IFRS 16 rights of use	33,360	7,536	(8,955)	41,674	3,852	(5,263)	380	72,585
Total property, plant and equipment	**140,497**	**75,871**	**(47,131)**	**102,417**	**11,169**	**(6,673)**	**48**	**276,197**

(€ thousands)	**At December 31, 2019**	**Additions**	**Depreciation**	**Translation differences**	**Net Divestments**	**Reclassifications and other changes**	**At December 31, 2020**
Land	2,366	-	-	(24)	-	-	2,342
Buildings	8,545	804	(774)	(121)	-	1,846	10,299
Plant and machinery	13,539	3,114	(3,259)	(342)	(79)	1,547	14,519
Manufacturing and distribution equipment	48,540	27,158	(20,983)	(2,331)	(2,582)	2,655	52,457
Other assets	12,464	1,547	(2,764)	(672)	(65)	1,354	11,865
Advances and tangible in progress	14,301	9,858	-	(525)	(6)	(7,973)	15,656
IFRS 16 rights of use	28,630	12,182	(5,778)	(1,538)	(137)	(0)	33,360
Total property, plant and equipment	**128,385**	**54,662**	**(33,558)**	**(5,554)**	**(2,868)**	**(571)**	**140,497**

The main changes compared to 2020 are due to the Luminex inclusion in the consolidation scope.

Additions to manufacturing and distribution equipment include equipment provided to customers under gratuitous loan contracts, amounting to € 28,549 thousand in 2021 (€ 24,351 thousand in 2020). Depreciation for the period totaled € 21,342 thousand (€ 17,728 thousand in 2020).

Assets under construction and advances amounted to € 27,607 thousand in 2021 (€ 15,656 thousand in 2020) and include on plant and machinery, equipment and leasehold improvements.

Tangible assets include "Right-of-use Assets" for a total amount of € 72,585 thousand at December 31, 2021 (€ 33,360 thousand at December 31, 2020), recognized on the basis of IFRS 16 accounting standard. The item includes right-of-use assets relating to rented property and industrial buildings, amounting to € 65,583 thousand (€ 28,932 thousand at December 31, 2020), along with right-of-use assets relating to company vehicles rentals amounting to € 7,002 thousand (€ 4,428 thousand at December 31, 2020).

11. Goodwill and other intangible assets

Goodwill totaled € 789,631 thousand at December 31, 2021 (€ 154,774 thousand at December 31, 2020), an increase of € 634,857 thousand due to the recognition of goodwill deriving from the acquisition of the Luminex Group equal to € 626,581 thousand.

The tables below describe the main changes that occurred in goodwill.
As explained in the "Accounting Standards" section of this Report, goodwill is tested for impairment and, if necessary, it is written down when impairment losses occur. The Group assesses the recoverability of goodwill and other intangibles with an indefinite life at least once a year by testing for impairment each cash generating unit (CGU). Through the impairment test of CGUs the Group assess the recoverability of other intangibles with a definite life also in the absence of specific impairment indicators.
The CGUs identified by the Group coincide with the single Group companies or, where relevant, homogeneous aggregations of companies. Goodwill has been allocated to the CGU'S that at the time of their purchase benefit from the synergies generated by the respective business combinations generating goodwill. A breakdown of how goodwill was recognized and/or allocated to the different CGUs for impairment test purposes is as follows:
- € 733,652 thousand to the DiaSorin USA (North America) CGU;
- € 46,447 thousand to the DiaSorin Italy CGU;
- € 6,840 thousand to the DiaSorin Germany CGU;
- € 1,927 thousand to the DiaSorin Brazil CGU;
- € 765 thousand to the DiaSorin Benelux CGU.

The table below provides a breakdown of changes in goodwill, by individual CGU, that occurred in 2021:

(€ thousands)	**At December 31, 2020**	**Translation differences**	**Reclassifications**	**Business Combination**	**At December 31, 2021**
DiaSorin Belgium	765	-	-	-	765
DiaSorin Brazil	1,907	20	-	-	1,927
DiaSorin Germany	6,840	-	-	-	6,840
DiaSorin Italy	46,447	-	-	-	46,447
DiaSorin USA (North America)	98,815	34,426	-	600,412	733,652
Total goodwill	**154,774**	**34,446**	**-**	**600,412**	**789,631**

With reference to assets with indefinite useful life:
- the know how acquired with the Murex transaction in 2010, amounting to €5,044 thousand, was tested for impairment as part of the DiaSorin Italy CGU;
- The license for the use of the TTP technology acquired from TTP Plc, amounting to € 6,100 thousand, was tested for impairment as part of the DiaSorin North America CGU.

The impairment test was completed on the basis of the most recent projections of economic results and cash flows for future years (2022-2024). These projections have been developed on the basis of the new business plan approved by the Board of Directors and presented in December 2021, and according to the latest forecast data available to the Group Management and approved by the Board of Directors.
The recoverability of the recognized amounts was tested by comparing the net carrying amount of the individual CGUs with their value in use (recoverable amount). The recoverable amount is equal to the

present value of the future cash flows that the continuing use of the assets belonging to each CGU is expected to generate both for the period of explicit flows, and at the end of the time horizon of the forecast (in accordance with the perpetuity method).
The main assumptions used to compute the recoverable amount were those concerning the discount rate, the most recent budget data and long-range projections and the expected growth rate at the end of the time horizon of the forecast.
In computing the present value of future cash flow, the Group used a discount rate that reflects the weighted average cost of capital (WACC) and the cost of debt. The discount rate used was determined on a post-tax basis and coherently with the cash flows. The Group computed a specific WACC for each CGU to take into account the specific risk entailed by the Group's business in each country (this variable is reflected in the use of government bonds as risk-free for each country).

The discount rates used for each CGU are listed in the table below:

Company	**WACC**
DiaSorin Italy	6.62%
DiaSorin France	5.29%
DiaSorin Iberia	5.77%
DiaSorin Benelux	5.02%
DiaSorin Sweden	4.51%
DiaSorin UK	5.01%
DiaSorin Germany	4.48%
DiaSorin Austria	4.99%
DiaSorin Czech Republic & Slovakia	4.90%
DiaSorin North America	4.49%
DiaSorin Brazil	7.99%
DiaSorin Mexico	7.33%
DiaSorin Israel	5.59%
DiaSorin China	5.48%
DiaSorin Australia	4.48%
DiaSorin India	6.45%
DiaSorin Switzerland	4.54%
DiaSorin Poland	5.51%

The time horizon used for cash flows projections is 3 years for all the CGUs, with the exception of DiaSorin Brazil CGU for which the time horizon is 5 years, due to the macro economic crisis that is affecting the Country, in order to assess the recoverability of long-term financial statement items. Then, a terminal value (perpetual return) was applied, using a growth rate (the "g" rate) of 2%, a rate that management believes could represent the projected growth rate in the sectors in which the CGUs operate.
In addition, the Group performed a sensitivity analysis assuming a worsening of variables (WACC and g rate) in the impairment test. Specifically, the discount rate applicable to each single CGU was up to one percentage point and terminal growth rate decreased to 0.5%. The sensitivity analysis results showed no indications of impairment.

Other intangibles totaled € 1,153,738 thousand at December 31, 2021 (€ 201,963 thousand t December 31, 2020).

The tables that follow show the changes that occurred in the original cost of goodwill and other intangibles in 2021 and 2020:

(€ thousands)	At December 31, 2020	Additions	Business combinations	Translation differences	Disposals and other changes	At December 31, 2021
Goodwill	154,773	-	600,412	34,445	-	789,630
Development costs	126,249	46,133	160,772	14,344	(6,751)	340,746
Concessions, licenses and trademarks	131,959	1,958	69,699	6,685	1,088	211,389
Customer relationship	77,622	-	669,554	33,316	-	780,492
Industrial patents and intellectual property rights	29,783	154	-	180	-	30,117
Advances and other intangibles	7,045	672	6,604	860	1,402	16,582
Total intangible assets	**527,431**	**48,917**	**1,507,041**	**89,830**	**(4,262)**	**2,168,957**

(€ thousands)	At December 31, 2019	Additions	Translation differences	Disposals and other changes	At December 31, 2020
Goodwill	164,681	-	(9,908)	-	154,773
Development costs	112,203	20,257	(6,849)	639	126,249
Concessions, licenses and trademarks	126,280	8,287	(3,039)	431	131,959
Customer relationship	82,533	-	(4,911)	-	77,622
Industrial patents and intellectual property rights	29,827	488	(531)	-	29,783
Advances and other intangibles	4,057	3,313	(325)	-	7,045
Total intangible assets	**519,581**	**32,344**	**(25,563)**	**1,070**	**527,431**

The following changes occurred in the corresponding accumulated amortization accounts in 2021 and 2020:

(€ thousands)	At December 31, 2020	Amortization	Translation differences	Disposals and other changes	At December 31, 2021
Development costs	41,428	12,606	1,986	(769)	55,251
Concessions, licenses and trademarks	66,141	9,718	3,632	(200)	79,291
Customer relationship	33,048	25,523	1,414	-	59,985
Industrial patents and intellectual property rights	27,272	897	178	-	28,347
Advances and other intangibles	2,806	138	36	(267)	2,713
Total intangible assets	**170,695**	**48,881**	**7,247**	**(1,236)**	**225,588**

(€ thousands)	At December 31, 2019	Amortization	Translation differences	Disposals and other changes	At December 31, 2020
Development costs	35,516	7,683	(1,772)	-	41,428
Concessions, licenses and trademarks	58,948	8,754	(1,254)	(306)	66,141
Customer relationship	25,298	7,771	(2,243)	2,222	33,048
Industrial patents and intellectual property rights	26,804	900	(432)	-	27,272
Advances and other intangibles	2,736	147	(77)	-	2,806
Total intangible assets	**149,302**	**25,255**	**(5,778)**	**1,916**	**170,695**

A breakdown of the net carrying value of goodwill and other intangibles at December 31, 2021 and 2020 is provided below:

(€ thousands)	At December 31, 2020	Additions	Amortization	Business combinations	Translation differences	Disposals and other changes	At December 31, 2021
Goodwill	154,773	-	-	600,412	34,445	-	789,630
Development costs	84,822	46,133	(12,606)	160,772	12,358	(5,982)	285,496

Concessions, licenses and trademarks	65,818	1,958	(9,718)	69,699	3,053	1,288	132,098
Customer relationship	44,574	-	(25,523)	669,554	31,902	-	720,057
Industrial patents and intellectual property rights	2,512	154	(897)	-	2	-	1,770
Advances and other intangibles	4,238	672	(138)	6,604	824	1,668	13,869
Total intangible assets	**356,737**	**48,917**	**(48,881)**	**1,507,041**	**82,584**	**(3,026)**	**1,943,370**

(€ thousands)	**At December 31, 2019**	**Additions**	**Amortization**	**Translation differences**	**Disposals and other changes**	**At December 31, 2020**
Goodwill	164,681	-	-	(9,908)	-	154,773
Development costs	76,687	20,257	(7,683)	(5,078)	639	84,822
Concessions, licenses and trademarks	67,332	8,287	(8,754)	(1,785)	737	65,818
Customer relationship	57,235	-	(7,771)	(2,668)	(2,222)	44,574
Industrial patents and intellectual property rights	3,023	488	(900)	(99)	-	2,512
Advances and other intangibles	1,321	3,313	(147)	(248)	-	4,238
Total intangible assets	**370,279**	**32,344**	**(25,255)**	**(19,786)**	**(846)**	**356,737**

Capitalized development costs, which totaled € 46,133 thousand (€ 20,257 thousand in 2020) refer to the development of new CLIA kits and Molecular kits and to the Luminex technologies (Verigene II).

A test of the recoverability of the net carrying amount of capitalized development costs was performed by determining the recoverable value of the CGU to which they were attributed and testing it for impairment, as described above.

12. Equity investments

Non-consolidated equity investments totaled €26 thousand at December 31, 2021 and refer to shares in non-controlled companies. No changes occurred compared to 2020.

13. Deferred-tax assets and deferred-tax liabilities

Deferred-tax assets amounted to € 38,230 thousand at December 31, 2021 (€ 33,080 thousand at December 31, 2020). They relate to consolidated companies that have deferred-tax assets in excess of deferred-tax liabilities and to consolidation adjustments. Deferred-tax liabilities, which totaled € 185,337 thousand (€ 10,066 thousand at December 31, 2020) relate to consolidated companies that have deferred-tax liabilities in excess of deferred-tax assets. The balance includes the recognition of deferred-tax liabilities for temporary differences attributable to the Luminex Group's assets and liabilities (€ 214,486 thousand).
The balance reflects the net deferred-tax assets computed on the consolidation adjustments (mainly from the elimination of unrealized gains on intra-Group transactions) and on temporary differences between the asset and liabilities amounts used to prepare the consolidated financial statements and the corresponding amounts used by the consolidated companies for tax purposes.
Deferred-tax assets were recognized in the financial statements when their future use was deemed to be probable. The same approach was used to recognize the benefit provided by the use of tax loss carryforwards, most of which, under current laws, can be brought forward indefinitely.
Based on the multi-year plans prepared by the Group's management, the Group is expected to generate sufficient taxable income in future years to allow for the full recovery of the abovementioned amounts.
An analysis of deferred-tax assets, net of offsettable deferred-tax liabilities, is provided below:

(€ thousands)	**12/31/2021**	**12/31/2020**
Deferred-tax assets	38,230	33,080
Deferred-tax liabilities	(185,337)	(10,066)
Total net deferred-tax assets (liabilities)	**(147,107)**	**23,014**

The table below shows a breakdown of the tax effect of the temporary difference that generated the net deferred-tax assets:

(€ thousands)	**12/31/2021**	**12/31/2020**
Positive changes:		
Non-current assets, amortization and write-downs	11,084	6,900
Provisions for risks and charges	4,094	4,052
Provision for employees' benefits	10,859	7,894
Intra-Group profits and other consolidation adjustment	27,079	4,634
Losses carried forward	28,097	365
Total	**81,213**	**23,845**
Negative changes		
Non-current assets that are not fiscally recognized	(228,319)	(831)
Total	**(228,319)**	**(831)**
Net deferred tax assets (liabilities)	**(147,107)**	**23,014**

The tables that follow show tax losses on which deferred tax assets/no deferred tax assets were recognized.

(€ thousands)	**12/31/2021**	**12/31/2020**
Previous tax losses	268,899	1,095
Deferred tax assets recognized on tax losses	**28,097**	**365**
Previous tax losses	119,742	3,735
Unrecognized deferred tax assets	**12,679**	**1,272**

14. Other non-current assets

Other non-current assets amounted to € 4,323 thousand (€ 2,189 thousand at December 31, 2020) They consist mainly of receivables from the Parent Company and the Belgian, Brazilian, Chinese and U.S. subsidiaries due beyond 12 months.

15. Inventories

A breakdown of inventories, which totaled € 298,049 thousand is provided below:

(€ thousands)	**12/31/2021**			**12/31/2020**		
	Gross amount	**Write-down provisions**	**Net amount**	**Gross amount**	**Write-down provisions**	**Net amount**

Raw materials and supplies	172,435	(23,003)	149,432	70,405	(2,919)	67,486
Work in progress	82,004	(6,398)	75,606	55,332	(2,860)	52,472
Finished goods	93,815	(20,804)	73,011	75,906	(4,630)	71,276
Total	**348,254**	**(50,205)**	**298,049**	**201,643**	**(10,409)**	**191,234**

The increase of € 106,815 thousand compared with December 31, 2020, is mainly due to the Luminex inclusion in the scope of consolidation (for an amount of € 105,695 thousand) and to fluctuations in foreign exchange rates.

The table below shows the changes that occurred in the provisions for inventory write-downs:

(€ thousands)	**12/31/2021**	**12/31/2020**
Opening balance	**10,409**	**7,447**
Business combinations	24,153	-
Additions for the year	23,182	4,449
Utilizations/Reversals for the year	(9,784)	(1,016)
Translation differences and other changes	2,245	(471)
Closing balance	**50,205**	**10,409**

16. Trade receivables

Trade receivables totaled € 217,588 thousand at December 31, 2021 (€ 165,678 thousand at December 31, 2020). The increase in trade receivables compared with December 31, 2020 is mainly due to the Luminex inclusion in the scope of consolidation (trade receivables at the date of the first consolidation were € 58,937 thousand euros) and to the growth in revenues.
The table that follows shows the changes that occurred in the allowance for doubtful accounts, which amounted to € 11,969 thousand compared with December 31, 2020:

(€ thousands)	**12/31/2021**	**12/31/2020**
Opening balance	**8,737**	**8,620**
Business combinations	2,229	-
Additions for the period	1,172	1,791
Utilizations/Reversals for the period	(344)	(578)
Translation differences and other changes	175	(1,096)
Closing balance	**11,969**	**8,737**

Receivables from public sector and universities amounted to € 62,185 thousand (€ 65,497 thousand at December 31, 2020).

In order to bridge the gap between contractual payment terms and actual collection times, the Group uses factoring transactions to assign its receivables without recourse. In 2021, the receivables assigned by the Group's Parent Company amounted to € 64,127 thousand (€ 56,239 thousand in 2020).

17. Other current assets

Other current assets amounted to € 39,634 thousand (€ 16,998 thousand at December 31, 2020). The increase of € 22,636 thousand is due to the Luminex Group consolidation (€ 7,860 thousand) and to tax receivables relating to US subsidiary DiaSorin Inc. (€ 8,661 thousand). Other current assets consist of tax credits for research and development investments accrued income and prepaid expenses for insurance, rentals and advances to suppliers.

18. Cash and cash equivalent

Cash and cash equivalents amounted to € 403,020 thousand at December 31, 2021 (€ 339,881 thousand at December 31, 2020). They consist of ordinary bank accounts and similar money market instruments. More detailed information is provided in the Statement of Cash Flows above.

19. Shareholders' equity

Share capital

At December 31, 2021, the fully paid-in share capital consisted of 55,948,257 common shares, par value of 1 euro each. No changes occurred compared with December 31, 2020.

Treasury shares

At December 31, 2021, the amount of treasury shares was 1,202,000, equal to 2.15% of the share capital, totaling € 120,022 thousand (€ 109,546 thousand at December 31, 2020).
The increase of € 10,476 compared to December 31, 2020 refers to the net effect deriving from the purchase of treasury shares (equal to € 19,377 thousand) and the exercise of 139,112 total options to serve the 2016 Stock Option Plan (27,234 options) and the 2017 Stock Option Plan (111,878 options), for a total amount of € 8,901 thousand.

Additional paid-in capital

This reserve amounted to € 18,155 thousand at December 31, 2021 and no changes occurred compared with December 31, 2020.

Statutory reserve

This reserve amounted to €11,190 thousand at December 31, 2021 and no changes occurred compared with December 31, 2020.

Other reserves and retained earnings

A breakdown of other reserves and retained earnings is as follows:

(€ thousands)	**12/31/2021**	**12/31/2020**	**Change**
Currency translation reserve	46,208	(26,987)	73,195
Reserve for treasury shares	120,022	109,546	10,476
Stock option reserve	17,312	11,563	5,749
Gains/Losses on remeasurements of defined benefit plans	(10,348)	(11,901)	1,553
Retained earnings	854,410	670,852	183,558

IFRS transition reserve	(2,973)	(2,973)	-
Other reserves	65,507	(19,040)	84,547
Total other reserves and retained earnings	**1,090,138**	**731,060**	**359,078**
Total other reserves and retained earnings attributable to minority interest	**1,798**	**1,216**	**582**

Currency translation reserve
This item was positive by € 46,208 thousand (negative by € 26,987 thousand at December 31, 2020) and reflects the foreign exchange differences resulting from the translation at year-end exchange rates of the shareholders' equities of consolidated companies with financial statements denominated in foreign currencies. The positive change of € 73,195 thousand was due to the fluctuation of the exchange rate of the US dollar vis-à-vis the Euro and to the increase of its incidence following the Luminex inclusion in the scope of consolidation.

Reserve for treasury shares
At December 31, 2021, the reserve for treasury shares amounted to € 120,022 thousand (€ 109,546 thousand at December 31, 2020). This reserve was established pursuant to law (Article 2357 *ter* of the Italian Civil Code). In 2021, the change in the reserve was due to the purchase of treasury shares for € 19,377 thousand, net of the exercise of 139.112 total options to service the 2016 Stock Option Plan (for 27,234 options) and the 2017 Stock Option Plan (for 111,878 options), for a total amount of € 8,901 thousand.

Stock option reserve
The balance in the stock option reserve, which amounted to € 17,312 thousand (€ 11,563 thousand at December 31, 2020) refers to the stock option plans in effect at December 31, 2021 (see Note 28). The increase (€ 5,749 thousand) was due to the recognition of the overall cost of the Stock Option Plans, posted and recognized in the income statement as a labor costs included in general and administrative expenses, whilst the decrease was due to the options exercised.

Gains/Losses on remeasurement of defined-benefit plans
At December 31, 2021 this item, negative by € 10,348 thousand at December 31, 2021 (€ 11,563 thousand at December 31, 2020) includes net profits of the period related to the actuarial assessment of the Group's defined-benefit plans amounting to € 1,553 thousand.

Retained earnings
Retained earnings amounted to € 854,410 thousand (€ 670,852 thousand at December 31, 2020). The change of € 183,558 thousand, compared with December 31, 2020, is the net result of:

- appropriation of the consolidated net profit earned by the Group in 2020 (€ 247,871 thousand);
- distribution of ordinary dividends equal to € 54,709 thousand approved on April 22, 2021 by the Ordinary Shareholders' Meeting (equal to € 1.00 per share);

IFRS transition reserve

The IFRS transition reserve was established on January 1, 2005, upon first-time adoption of the IFRSs as an offset to the adjustments recognized to make the financial statements prepared in accordance with Italian accounting principles consistent with IFRS requirements, net of the applicable tax effect (as required by and in accordance with IFRS 1). This reserve has not changed since its establishment.

Other reserves

The item, positive by € 65,507 thousand, posted a change of € 84,547 thousand compared to December 31, 2020 due to the recognition of the equity portion relating to the Parent company's convertible bond amounting to € 59,800 thousand, the new put/call option valuation relating to the Chinese JV, equal to € 16,972 thousand, and the equity component of "Mark to Market" derivative, equal to € 6,224 thousand.

Reconciliation of the net result and shareholders' equity of the Group's Parent Company to the corresponding consolidated data

The table below shows a reconciliation of the net profit and shareholders' equity of the Group's Parent Company to the corresponding consolidated data at December 31, 2021:

(€ thousands)	**Net profit at 12/31/2021**	**Shareholders' equity at 12/31/2021**
Amount in the financial statements of the Parent Company DiaSorin S.p.A.	**138,848**	**667,993**
Difference between the carrying amount of equity investments and the value of the underlying shareholders' equity	-	731,767
Profits/(Losses) of consolidated companies	191,621	-
Elimination of unrealized intra-Group profits, net of the applicable tax effect	(7,802)	(31,821)
Elimination of write-down of investments in subsidiaries	-	-
Elimination of intra-Group dividends	(11,934)	-
Amount in the consolidated financial statements	**310,732**	**1,367,939**

20. Financial assets and liabilities

Payables for financial liabilities amounted to € 1,399,629 thousand at December 31, 2021 as against financial assets amounting to € 10,716 thousand, broken down as follows (amounts in thousands of euros):

Type of financial liability	**Current portion**	**Non-current portion**	***Due within 1 year and no later than 5 years***	***Beyond 5 years***	**Total**
DiaSorin Inc. Term Loan	90,767	788,749	788,749	-	879,516
DiaSorin S,p.A. Convertible Debt	-	439,520	-	439,520	439,520
Hedging derivatives	3,434	-	-	-	3,434
IFRS 16 lease payables	9,644	66,478	31,735	34,743	76,122
Other current financial liabilities	1,037	-	-	-	1,037
Total financial liabilities	**104,882**	**1,294,747**	**820,484**	**474,263**	**1,399,629**

Hedging derivatives	-	10,716	10,716	-	10,716
Total financial assets	**-**	**10,716**	**10,716**	**-**	**10,716**
Total financial assets/liabilities	**104,882**	**1,284,031**	**809,768**	**474,263**	**1,388,913**

The table below lists the changes that occurred in the financing facilities that were outstanding at December 31, 2021 compared with 2020 (amounts in thousands of euros):

Type of financial liability	At December 31, 2020	Business combinations	Increases	Repayments	At amortized cost	Translation differences and other movements	At December 31, 2021
DiaSorin Inc. Term Loan	-	-	841,391	-	415	37,710	879,516
DiaSorin S,p.A. Convertible Debt	-	-	433,502	-	6,018	-	439,520
Hedging derivatives	-	-	3,434	-	-	-	3,434
Other current financial liabilities	(126)	-	-	-	-	1,163	1,037
IFRS 16 lease payables	34,660	39,652	4,098	(6,260)	-	3,972	76,122
Total financial liabilities	**34,534**	**39,652**	**1,282,425**	**(6,260)**	**6,433**	**42,845**	**1,399,629**
Hedging derivatives	**-**	-	10,716	-	-	-	10,716
Total financial assets	**-**	**-**	**10,716**	**-**	**-**	**-**	**10,716**
Total financial assets/liabilities	**34,534**	**39,652**	**1,271,709**	**(6,260)**	**6,433**	**42,845**	**1,388,913**

With regard to financial liabilities, the following should be noted:

- the equity-linked bond issue with a nominal amount of €500,000,000 denominated "€500million Zero Coupon Equity Linked Bonds due 2028", issued by DiaSorin on May 5, 2021, and maturing on May, 5 2028. The "Convertible Debt" item, equal to € 439,520 thousand, includes the measurement, at amortized cost, of the liability arising from the issue described above;
- the Financing Agreement signed on April 11, 2021 through which the Lending Banks have made available to DiaSorin Inc. the "Term Loan" credit line disbursed on July 12, 2021, when the transaction closed for an amount of USD 1,000,000,000. Interest accrues on the amount financed at an annual rate equal to Libor plus a spread of 1.05%, variable according to the value of the ratio between consolidated net financial indebtedness and consolidated adjusted EBITDA, as contractually defined. At December 31, the ratio was 1.82, complying with the requirements set. The Financing Agreement contains commitments that are customary for

agreements of a similar type and size, such a guarantee and disclosure obligations, negative pledge and events of default clauses, and compliance with certain financial ratio. This liability is measured at amortized cost and, at December31, 2021, amounted to € 879,516 thousand.

As required by IAS 7, the table that follows provides financial liabilities: the flows shown are future cash flows determined on the basis of residual contractual maturities for both principal and interest.

Lender	At December 31, 2021	1 year	2 - 5 years	> 5 years	Total
DiaSorin Inc.Term Loan	879,516	103,470	829,016	-	932,486
DiaSorin S.p.A. Convertible debt	439,520	-	-	500,000	500,000
IFRS 16 lease payables	76,122	10,943	35,932	40,018	86,893
Trade payables	84,773	84,773	-	-	84,773
Due for Put/Call option rights	6,107	6,107	-	-	6,107
Total financial liabilities	**1,486,038**	**205,293**	**864,948**	**540,018**	**1,610,259**

21. Provisions for employee severance indemnities and other employee benefits

The balance in this account reflects all of the Group pension plan obligations, other post-employment benefits and benefits payable to employees when certain requirements are met. Group companies provide post-employment benefits to their employees by contributing to external funds and by funding defined- contribution and/or defined-benefit plans.
The manner in which these benefits are provided varies depending on the applicable statutory, tax-related and economic conditions in the countries where Group companies operate. As a rule, benefits are based on each employee's level of compensation and years of service.

Defined-contribution plans

Certain Group companies pay contributions to private funds or insurance companies pursuant to a statutory or contractual obligation or on a voluntary basis. With the payment of these contributions, the companies in question absolve all of their obligations. The liability for contributions payable is included under "Other current liabilities". The cost attributable to each year, which accrues based on the services provided by employees, is recognized as a "Labor cost" of the relevant organizational unit.
In 2021, this cost amounted to € 7,041 thousand.

Defined-benefit plans

The Group's pension plans that qualify as defined-benefit plans include the provisions for employee severance indemnities in Italy, the Alecta system in Sweden and the U-Kasse pension plan and Direct Covenant system in Germany.
The liability owed under these plans is recognized at its actuarial value using the projected unit credit method; actuarial gains and losses resulting from the determination of these liabilities are credited or charged to equity in the statement of comprehensive income in the year in which they arise.

Other employee benefits

The Company also provides its employees with additional long-term benefits, which are paid when employees reach a predetermined length of service. In these cases, the value of the liability recognized in the financial statements reflects the probability that these benefits will be paid and the length of time for which they will be paid. The liability owed under this plan is recognized at its actuarial value using the projected unit credit method. Starting from 2019, a 2019-2022 four-year plan ("LTI Plan") was implemented in favor of seven key executives of the DiaSorin Group, including the Strategic Executives. The LTI Plan was adopted with the aim of their retention, as well as rewarding the achievement of important medium/long- term business targets in accordance with the DiaSorin Group growth strategy. The LTI Plan envisages a stock option plan (the 2018 Plan, as described in Note 27) and a target cash bonus (totaling € 7 million gross) tied to the achievement of a specific objective. Upon achieving the target objective, the cash bonus shall be paid to each beneficiary by the end of April 2023, following the approval of the 2022 consolidated financial statements. The LTI Plan cash bonus falls into "Other long-term benefits" of IAS 19 and is assessed by using actuarial methods. Please note that any resulting actuarial gains or losses recorded on the basis of these employees' benefits are recognized in the income statement. Losses recognized in 2021 were € 113 thousand (losses of € 237 thousand in 2020).

The table that follows summarizes the Company's main employee benefit plans that are currently in effect:

(€ thousands)	**12/31/2021**	**12/31/2020**	**Change**
Employee benefits			
provided in:			
- Italy	6,852	6,198	654
- Germany	29,781	30,810	(1,029)
- Sweden	2,516	2,758	(242)
- Other countries	1,768	1,476	292
Total employee benefits	**40,917**	**41,242**	**(325)**
broken down as follows:			
- Defined-benefit plans			
Employee's severance indemnities	2,847	3,023	(176)
Other defined-benefit plans	33,087	33,568	(481)
	35,934	36,591	(657)
- Other long-term benefits	4,983	4,651	332
Total employee benefits	**40,917**	**41,242**	**(325)**

The table below shows the main changes that occurred in the Group's employee benefit plans compared with December 31, 2020:

(€ thousands)	**Defined-benefit plans**	**Other benefits**	**Total employee benefits**
Balance at 12/31/2020	**36,591**	**4,651**	**41,242**
Interest cost	649	(15)	634
Actuarial losses/(gains) recognized in income statement	-	113	113

Actuarial losses/(gains) from financial assumptions	(1,701)	-	(1,701)
Actuarial losses/(gains) from demographic changes	-	-	-
Actuarial losses/(gains) from experience	68	-	68
Current service cost	1,125	1,406	2,531
Benefits paid	(1,538)	(383)	(1,921)
Translation differences and other changes	740	(789)	(49)
Balance at 12/31/2021	**35,934**	**4,983**	**40,917**

The main changes that occurred in 2021 with regard to the provision for employee benefits include actuarial profits recognized in the comprehensive income statement (€ 1,633 thousand, gross of the tax effect) and contributions paid (€ 1,921 thousand). The net amount recognized in the 2021 income statement for employee benefits was an expense of € 3,278 thousand (€ 2,822 thousand in 2020). Actuarial losses/(gains) arising from other employee benefits and current service cost are recognized in the income statement as part of labor costs, allocated to the area to which they correspond. Interest expense is recognized in the income statement as part of "Net financial income/(expense)" (see Note 7). Actuarial losses/(gains) on defined-benefit plans are credited or charged to equity in the statement of comprehensive income in the period in which they arise.

The table below lists the main assumptions used for actuarial computation purposes in the defined benefit plans:

	Pension plans	
	12/31/2021	**12/31/2020**
Discount rate	1.07%	0.68%
Projected wage increases	2.83%	2.75%
Inflation rate	1.93%	1.47%
Average employee turnover rate	3.25%	3.26%

A sensitivity analysis of changes in the main assumptions used for actuarial computation purposes is set out below:

(€ thousands)		**Provision of employee severance indemnities**	**Other defined-benefit plans**
Discount rate			
	0.8% Increase	(102)	(4,866)
	0.8% Decrease	108	6,406
Projected wage increases		-	-
	0.8% Increase	-	-
	0.8% Decrease	-	-
Inflation rate		-	-
	0.8% Increase	65	(3,189)
	0.8% Decrease	(63)	4,013
Average employee turnover rate		-	-
	10% Increase	(7)	-
	10% Decrease	7	-

(*) The sensitivity analysis concerning provision of employee severance indemnities takes into account changes in discount rate, projected wage increase and inflation rate up or down by 0.5%.

22. Other non-current liabilities

Other non-current liabilities totaled € 43,983 thousand at December 31, 2021 (€ 48,155 thousand at December 31, 2020). The decrease vs. 2020 (€ 4,172 thousand) refers to two opposite effects. The recognition of liabilities, amounting to € 8,389 thousand, arising from the Luminex business combination and the positive effect, amounting to € 16,972 thousand, following the new valuation of the long-term liabilities concerning put/call options under the new Joint Venture contract in China, which have been entered according to IAS 32 and IFRS 9 standards. Specifically, the Joint Venture contract that contains an obligation for the Group to purchase its own equity instruments for cash or other financial asset gives rise to a financial liability for the present value of the redemption amount. Liability is initially recognized at the present value of the exercise price estimated at € 6,107 thousand. Subsequently, changes in this amount are recognized with an equal amount being recognized the Group's net Shareholder's equity. Reference is made to the note "20. Shareholders' equity".

The table that follows shows the changes that occurred in provisions for risks and charges:

(€ thousands)	**12/31/2021**	**12/31/2020**
Opening balance	**12,214**	**12,512**
Additions for the period	3,418	2,827
Utilizations/Reversals for the period	(757)	(2,764)
Business combinations	8,389	-
Translation differences and other changes	2,128	(361)
Closing balance	**25,392**	**12,214**

23. Trade payables

At December 31, 2021, trade payables, which totaled € 84,773 thousand (€ 65,485 thousand at December 31, 2020) represent amounts owed to external suppliers for the purchase of goods and services. The increase of € 19,288 refers to Luminex for an amount of € 10,613 thousand and to the Parent company for an amount of € 5,841 thousand. There are no amounts due after one year.

24. Other current liabilities

Other current liabilities of € 102,319 thousand at December 31, 2021 (€ 60,688 thousand at December 31, 2020) consist mainly of amounts owed to employees for additional monthly payments to be paid, equal to € 46,146 thousand (€ 41,026 thousand at December 31, 2020), accruals and deferred charges amounting to € 14,370 thousand (€ 2,759 thousand at December 31, 2020), and contributions payable to social security and health benefit institutions for a total of € 4,814 thousand (€ 3,889 thousand at December 31, 2020).

25. Income taxes payable

The balance of € 6,255 thousand at December 31, 2021 (€ 29,831 thousand at December 31, 2020) represents the income tax liability for the profit earned in the period, net of estimated payments made, and amounts owed for other indirect taxes and fees. The analysis of income taxes is provided in Note 8.

26. Commitment and contingent liabilities

Guarantees provided

The guarantees that the Group provided to third parties totaled € 911,049 thousand and include bank sureties in connection with the submission of bids in response to public calls for tenders (€ 21,143 thousand), outstanding financing facilities (€ 887,389 thousand), defined-contribution pension plans of certain subsidiaries (€ 2,517 thousand).
In 2021, the amount of guarantees provided for credit lines to subsidiaries increased due to the guarantee given by the Group's Parent company for the loan of the US DiaSorin Inc. subsidiary, equal to USD 1,000 thousand.

Significant commitments and contractual obligations

Significant contractual obligations include the agreements executed by the Parent company DiaSorin, with Stratec and Diatron in connection with the development and production of LIAISON XL, LIAISON XS and MDX analyzers. The supply contract calls for Stratec and Diatron to manufacture and supply the analyzers exclusively to DiaSorin. The Group has agreed to purchase a minimum number of instruments. However, the projected commitment is deemed to be significantly lower than the normal level of capital investment that would be required for current or future equipment production. As a result, net invested capital is not expected to undergo significant structural changes in the future as a result of this commitment.

Contingent liabilities

The DiaSorin Group operates globally. As a result, it is exposed to the risks that arise from the complex laws and regulations that apply to its commercial and manufacturing activities.
The Group believes that the amounts set aside for pending legal disputes in the corresponding provision for risks are adequate.
As regards provisions for risks and charges, despite the lack of implementing decrees to Law n. 125 of 08/06/2015 extending the pay-back mechanism to medical devices, the Company carried out allocations to hedge the underlying risks.

27. Stock option plans

2016 Plan

On April 28, 2016, the Ordinary Shareholders' Meeting approved the new 2016 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.
The Board of Directors approved an initial tranche of beneficiaries with a grant of 130,000 options by a resolution dated May 16, 2016, a second tranche with a grant of 20,000 options by a resolution dated August 4, 2016, a third tranche with a grant of 40,000 options by a resolution dated December 19, 2016, a fourth tranche with a grant of 40,000 options by a resolution dated August 3, 2017, a fifth tranche with a grant of 25,000 options by a resolution dated March 7, 2018, a sixth tranche with a grant of 20,000 options by a resolution dated November 7, 2018 and a seventh tranche with a grant of 25,000 by a resolution dated March 14, 2019.
Please note that, due some "bad leaver" and "good leaver" events, 104,849 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 250,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2016 Plan.

On May 12, 2016, the company announced the start of the treasury shares buy-back plan to service the Stock Option Plan, under the terms and conditions authorized by the Shareholders' Meeting of April 28, 2016.
The program was completed on June 9, 2016, resulting in the purchase of 250,000 common shares (equal to 0.44% of the share capital). The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

As of December 31, 2021, stock options amounted to 36,699, following 14,234 being exercised between March 10, 2021 and June 25, 2021 at an average exercise price of € 70.0517 and 13,000 stock options being exercised between November 8, 2021 and November 26, 2021 at an average exercise price of € 82.4239.
During the abovementioned period, the average price of the DiaSorin shares was € 166.37.

As detailed:

2016 Plan	**Grant date**	**Number of options**	**Exercise year**
I Tranche	May 16, 2016	46,218	2019
II Tranche	August 4, 2016	20,000	2019
III Tranche	December 19, 2016	23,000	2019
III Tranche	December 19, 2016	2,000	2020
IV Tranche	August 3, 2017	40,000	2020
V Tranche	March 7, 2018	14,234	2021
V Tranche	March 7, 2018	4,699	
VI Tranche	November 7, 2018	13,000	2021
VI Tranche	November 7, 2018	7,000	
VII Tranche	March 14, 2019	25,000	
Total		**195,151**	

2017 Plan

On April 27, 2017, the Ordinary Shareholders' Meeting approved the new 2017 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.
The Board of Directors approved a first tranche of beneficiaries with a grant of 170,000 options by a resolution dated November 9, 2017, a second tranche with a grant of 10,000 options by a resolution dated March 7, 2018, a third tranche with a grant of 40,000 options by a resolution dated May 8, 2018, a fourth tranche with a grant of 15,000 options by a resolution dated November 7, 2018, a fifth tranche with a grant of 10,000 options by a resolution dated March 14, 2019, a sixth tranche with a grant of 10,000 options by a resolution dated June 10, 2019, a seventh tranche with a grant of 65,000 options by a resolution dated July 31, 2019, an eighth tranche with a grant of 45,000 options by a resolution dated November 6, 2019, a ninth tranche with a grant of 30,000 options by a resolution

dated 19 December, 2019, a tenth tranche with a grant of 5,000 options by a resolution dated March 11, 2020, an eleventh tranche with a grant of 20,000 options by a resolution dated May 13, 2020 and a twelfth tranche with a grant of 56,122 options by a resolution dated July 30, 2020.

Please note that, due some "bad leaver" and "good leaver" events, 57,752 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 450,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2017 Plan.

The Shareholders' Meeting of April 27, 2017 resolved to authorize, pursuant to and for the purposes of Article 2357 of the Italian Civil Code, the purchase, in one or more installments and for a period of 18 months from the date of the resolution, the purchase of up to 450,000 common shares to service the new 2017 Stock Option Plan. The program was implemented in April 2018 with the purchase of 100,000 common shares (equal to 0.18% of the share capital) and continued throughout 2020 along with the 2019 Stock Option Plan, ended on October 23, 2020.

The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

As of December 31, 2021 stock options amounted to 224,492, following 61,878 stock options being exercised between January 20, 2021 and November 5, 2021 at an average exercise price of € 78,4724, 40,000 stock options being exercised between July 20, 2021 and August 2, 2021 at an average exercise price of € 76.2368 and 10,000 stock options being exercised between November 8, 2021 and November 10, 2021 at an average exercise price of € 82.4239.
During the abovementioned period, the average price of the DiaSorin shares was € 166.51.

As detailed:

2017 Plan	**Grant date**	**Number of options**	**Exercise year**
I Tranche	November 9, 2017	82,000	2020
I Tranche	November 9, 2017	61,878	2021
II Tranche	March 7, 2018	10,000	
III Tranche	May 8, 2018	40,000	2021
IV Tranche	November 7, 2018	10,000	2021
IV Tranche	November 7, 2018	5,000	
V Tranche	March 14, 2019	10,000	
VI Tranche	June 10, 2019	10,000	
VII Tranche	July 31, 2019	65,000	
VIII Tranche	November 6, 2019	40,000	
IX Tranche	December 19, 2019	30,000	
X Tranche	March 11, 2020	5,000	

XI Tranche	May 13, 2020	20,000
XII Tranche	July 30, 2020	56,122
Total		**445,000**

2018 Plan

On April 23, 2018, the Ordinary Shareholders' Meeting approved the new 2018 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.
The Board of Directors approved an initial tranche of beneficiaries with a grant of 675,000 options by a resolution dated May 8, 2018.
These free option grants convey to the beneficiaries the right to acquire up to 675,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2018 Plan.

On May 3, 2018, the company announced the start of the treasury shares buy-back plan to service the 2018 Stock Option Plan, under the terms and conditions authorized by the Shareholders' Meeting of April 23, 2018. The program was completed on July 4, 2018, resulting in the purchase of 675,000 common shares (equal to 1.21% of the share capital). The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

At December 31, 2021, stock options amounted to 662,781, all related to the grant date of May 8, 2018.

2019 Plan

On April 24, 2019, the Ordinary Shareholders' Meeting approved the new 2019 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.
The Board of Directors approved a first tranche of beneficiaries with a grant of 8,878 options by a resolution dated July 30, 2020, a second tranche with a grant of 91,122 options by a resolution dated November 11, 2020, and a third tranche with a grant of 5,000 options by a resolution dated November 11, 2021.

These free option grants convey to the beneficiaries the right to acquire up to 100,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2019 Plan.

On June 17, 2020, the company announced the start of the treasury shares buy-back plan to service the 2019 Stock Option Plan, under the conditions and terms authorized by the Shareholders' Meeting of April 24, 2019. The program was completed on October 23, 2020, resulting in the purchase of 192,511 common shares (equal to 0.3441% of the share capital), partly to serve the 2017 Stock Option Plan. The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

At December 31, 2021 stock options amounted to 105,000.

As detailed:

2019 Plan	Grant date	Number of options
I Tranche	July 30, 2020	8,878
II Tranche	November 11, 2020	91,122
III Tranche	November 11, 2021	5,000
Total		**105,000**

2020 Plan
On June 10, 2020, the Ordinary Shareholders' Meeting approved the new 2020 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.
The Board of Directors approved an initial tranche of beneficiaries with a grant of 18,878 options by a resolution dated November 11, 2020, a second tranche of beneficiaries with a grant of 15,000 options by a resolution dated December 21, 2020, a third tranche of beneficiaries with a grant of 60,000 options by a resolution dated March 11, 2021, a fourth tranche of beneficiaries with a grant of 5,000 options by a resolution dated May 14, 2021, a fifth tranche with a grant of 40,000 options by a resolution dated July 30, 2021 and a sixth tranche with a grant of 11,122 options by a resolution dated November 11, 2021.

These free option grants convey to the beneficiaries the right to acquire up to 150,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2020 Plan.

On April 6, 2021, the company announced the start of the treasury shares buy-back plan to service the Stock Option Plan of the company, under the conditions and terms authorized by the Shareholders' Meeting of April 10, 2020. The program was completed on November 2, 2020, resulting in the purchase of 100,000 common shares (equal to 0.1718% of the share capital). The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

At December 31, 2021 stock options amounted to 150,000.

As detailed:

2020 Plan	Grant date	Number of options
I Tranche	November 11, 2020	18,878
II Tranche	December 21, 2020	15,000
III Tranche	March 11, 2021	60,000
IV Tranche	May 14, 2021	5,000
V Tranche	July 30, 2021	40,000
VI Tranche	November 11, 2021	11,122
Total		**150,000**

2021 Plan
On April 22, 2021, the Ordinary Shareholders' Meeting approved the new 2021 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.
The Board of Directors approved a first tranche of beneficiaries with a grant of 48,878 options by a resolution dated 11 November, 2021.
These free option grants convey to the beneficiaries the right to acquire up to 300,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2021 Plan.

The Shareholders' Meeting of April 22, 2021, resolved to authorize, pursuant to and for the purposes of Article 2357 of the Italian Civil Code, the purchase, in one or more installments and for a period of 18 months from the date of the resolution, the purchase of up to 300,000 common shares (equal to 0.536% of the share capital), to service the new 2021 Stock Option Plan.
On July 30, 2021, the company announced the start of the treasury shares buy-back plan.

At December 31, 2021, stock options amounted to 48,878, all referred to the grant date of November 11, 2021.

Valuation of stock options
The stock options granted to Directors and employees are measured at their fair value on the grant date in accordance with the method provided in IFRS 2 and the total cost of the plan thus determined is allocated over the vesting period.

The fair value computation method uses a binomial model and is based on the following assumptions:

A – Exercise price

The exercise price was determined in accordance with Article 6.2 of the Plan's Regulation.

B – Stock price

The value assigned to the underlying instrument for stock option valuation purposes is the daily closing price for DiaSorin shares on the grant date.

C – Expected volatility

The expected volatility of the underlying instrument measures the expected fluctuations in price/value over a given period of time. The measure of volatility used in the option pricing model used is the annualized standard deviation of the continuously compounded rates of return on an equity security over a period of time.

D – Employee exit rate

This rate, which reflects the probability that Directors or employees who are the recipients of stock option grants will leave the Company before the vesting date, was deemed to be 0%.

E – Risk-free interest rate

IFRS 2 requires the use of a risk-free interest rate that will be valid over the expected life of the options, with the term expected life meaning the length of time between the grant date and the expected option exercise date.

F – Dividend yield

The value of stock options is also affected by assumptions about the dividend yield, which is the annual dividend paid per share stated as a percentage of the share price.

The table below lists the input data used for stock option valuation purposes and the number of options exercisable at December 31, 2021:

2016 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.000000000	€ 52.54	€ 52.25	€ 1.00	30.00%	0.00%	0.46%	1.70%	05/16/2016	01/16/2019
II Tranche	3.000000000	€ 56.31	€ 57.80	€ 1.00	30.00%	0.00%	0.14%	1.70%	08/04/2016	08/05/2019
III Tranche	3.000000000	€ 51.84	€ 53.65	€ 1.00	30.00%	0.00%	0.38%	1.70%	12/19/2016	12/20/2019
IV Tranche	3.005479452	€ 69.63	€ 73.05	€ 1.00	23.00%	0.00%	0.14%	1.50%	08/03/2017	08/04/2020
VI Tranche	3.005500000	€ 70.05	€ 70.60	€ 1.00	23.00%	0.00%	0.33%	1.50%	03/07/2018	03/08/2021
VI Tranche	3.00547945	€ 82.42	€ 81.60	€ 1.00	25.00%	0.00%	0.44%	1.50%	11/07/2018	11/08/2021
VII Tranche	3.005479452	€ 86.04	€ 85.80	€ 1.00	25.00%	0.00%	0.25%	1.50%	3/14/2019	3/15/2022

2017 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.005479452	€ 78.47	€ 72.05	€ 1.00	23.00%	0.00%	-0.07%	1.50%	11/09/2017	11/10/2020
II Tranche	3.005479452	€ 70.05	€ 70.60	€ 1.00	23.00%	0.00%	0.14%	1.50%	03/07/2018	03/08/2021
III Tranche	3.008219178	€ 76.24	€ 78.30	€ 1.00	23.00%	0.00%	0.18%	1.50%	05/08/2018	05/10/2021
IV Tranche	3.005479452	€ 82.42	€ 81.60	€ 1.00	25.00%	0.00%	0.24%	1.50%	11/07/2018	11/8/2021
V Tranche	3.005479452	€ 86.04	€ 85.80	€ 1.00	25.00%	0.00%	0.12%	1.50%	3/14/2019	3/15/2022
VI Tranche	3.010958904	€ 95.35	€ 102.00	€ 1.00	25.00%	0.00%	-0.02%	1.50%	6/10/2019	6/13/2022
VII Tranche	3.005479452	€ 102.62	€ 105.00	€ 1.00	25.00%	0.00%	-0.24%	1.50%	7/31/2019	8/01/2022
VIII Tranche	3.005479452	€ 99.60	€ 104.30	€ 1.00	25.00%	0.00%	-0.08%	1.50%	11/6/2019	11/7/2022
IX Tranche	3.005479452	€ 119.28	€ 117.60	€ 1.00	25.00%	0.00%	-0.06%	1.50%	12/19/2019	12/20/2022
X Tranche	3.005479452	€ 110.44	€ 113.00	€ 1.00	25.00%	0,00%	-0.01%	1.50%	3/11/2020	3/13/2023
XI Tranche	3.005479452	€ 156.44	€ 172.50	€ 1.00	28.00%	0,00%	0.32%	1.50%	5/13/2020	5/15/2023
XII Tranche	3.002739726	€ 173.28	€ 167.50	€ 1.00	30.00%	0,00%	-0.17%	1.00%	7/30/2020	7/31/2023

2018 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	4.657534247	€ 76.24	€ 78.30	€ 1.00	23.00%	0.00%	0.49%	1.50%	05/08/2018	01/02/2023

2019 Plan	Vesting period (in anni)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.002739726	€ 173.28	€ 167.50	€ 1.00	30.00%	0.00%	-0.17%	1.00%	7/30/2020	7/31/2023
II Tranche	3.005479452	€ 189.05	€ 172.40	€ 1.00	30.00%	0.00%	-0.29%	1.00%	11/11/2020	11/13/2023
III Tranche	3.005479452	€ 186.15	€ 185.00	€ 1.00	34,00%	0.00%	-0.18%	1.00%	11/11/2021	11/12/2024

2020 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.005479452	€ 189.05	€ 172.40	€ 1.00	30.00%	0.00%	-0.29%	1.00%	11/11/2020	11/13/2023
II Tranche	3.002739726	€ 169.95	€ 171.70	€ 1.00	30.00%	0.00%	-0.30%	1.00%	12/21/2020	12/22/2023
III Tranche	3.005479452	€ 168.46	€ 144.30	€ 1.00	30.00%	0.00%	-0.23%	1.00%	3/11/2021	3/12/2024
IV Tranche	3.005479452	€ 145.50	€ 138.00	€ 1.00	34.00%	0.00%	-0.19%	1.00%	5/14/2021	5/15/2024
V Tranche	3.005479452	€ 164.23	€ 171.15	€ 1.00	34.00%	0.00%	-0.35%	1.00%	7/30/2021	7/31/2024
VI Tranche	3.005479452	€ 186.15	€ 185.00	€ 1.00	34.00%	0.00%	-0.18%	1.00%	11/11/2021	11/12/2024

2021 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.005479452	€ 186.15	€ 185.00	€ 1.00	34.00%	0.00%	-0.18%	1.00%	11/11/2021	11/12/2024

Based on the assumptions described above, the fair value of the 2016 Plan is equal to € 2,504 thousand, with a vesting period that goes from May 16, 2016 to March 15, 2022. The fair value per option is as follows (amounts in €):

2016 Plan	Number of options on the vesting date	Fair Value
V Tranche	4,699	13.30140
VI Tranche	7,000	16.34540
VII Tranche	25,000	17.16720

Based on the assumptions described above, the fair value of the 2017 Plan is equal to € 6,851 thousand, with a vesting period that goes from November 9, 2017 to July 31, 2023. The fair value per option is as follows (amounts in €):

2017 Plan	Number of options on the vesting date	Fair Value
II Tranche	10,000	11.12670
IV Tranche	5,000	13.66450
V Tranche	10,000	14.45860
VI Tranche	10,000	19.70320
VII Tranche	65,000	18.19750
VIII Tranche	40,000	19.21230
IX Tranche	30,000	19.05680
X Tranche	5,000	19.91630

XI Tranche	20,000	39.85342
XII Tranche	29,492	33.54930

Based on the assumptions described above, the fair value of the 2018 Plan is equal to €9,922 thousand, with a vesting period that goes from May 8, 2018 to January 2, 2023. The fair value per option is as follows (amounts in €):

2018 Plan	Number of options on the vesting date	Fair Value
I Tranche	662,781	14.97060

Based on the assumptions described above, the fair value of the 2019 Plan is equal to € 3,350 thousand, with a vesting period that goes from July 30, 2020 to November 12, 2024. The fair value per option is as follows (amounts in €):

2019 Plan	Number of options on the vesting date	Fair Value
I Tranche	8,878	33.54930
II Tranche	91,122	30.86690
III Tranche	5,000	47.91980

Based on the assumptions described above, the fair value of the 2020 Plan is equal to € 4,940 thousand, with a vesting period that goes from November 11, 2020 to November 12, 2024. The fair value per option is as follows (amounts in €):

2020 Plan	Number of options on the vesting date	Fair Value
I Tranche	18,878	30.86690
II Tranche	15,000	36.82752
III Tranche	60,000	23.00490
IV Tranche	5,000	30.78703
V Tranche	40,000	43.45004
VI Tranche	11,122	47.91980

Based on the assumptions described above, the fair value of the 2021 Plan is equal to € 2,342 thousand, with a vesting period that goes from November 11, 2021 to November 12, 2024. The fair value per option is as follows (amounts in €):

2021 Plan	Number of options on the vesting date	Fair Value
I Tranche	48,878	47.91980

The overall cost attributable to 2021, which amounted to € 6,432 thousand, was recognized in the income statement as part of labor costs and general and administrative expenses, with the offsetting entries posted to shareholder's equity.

28. Related-party transactions

In the normal course of business, DiaSorin S.p.A. engages on a regular basis in commercial and financial transactions with its subsidiaries, which are also Group companies. These transactions, which are executed on standard market terms, consist of the supply of goods and services, including administrative, information technology, personnel management, technical support and consulting services, which produce receivables and payables at the end of the year, and financing and cash management transactions, which produce income and expenses.
These transactions are eliminated in the consolidation process and, consequently, are not discussed in this section of the Report.

The incidence of related-party transactions on the single items of the balance sheet, income statement and cash flows is not material.

The total amount owed to Group's Directors, Statutory Auditors and Strategic Executives is provided below (further information is provided in the Remuneration Report):

(€ thousands)	**2021**	**2020**
Directors and strategic executives	7,274	7,009
Other directors	995	995
Statutory Auditors	100	100
Total	**8,369**	**8,104**

The compensation payable to senior managers and eligible employees (key management) is consistent with standard market terms for compensation offered to employees with a similar status.

29. Significant events occurring after December 31, 2020 and business outlook

As regards business outlook, Management expects that in 2022 the DiaSorin Group should be able to deliver:

Revenues: substantially in line with 2021 (approx. -2%), of which COVID-19 revenues equal to approx. € 150 million and ex-COVID revenues increasing by 24.0% approx.

ADJUSTED EBITDA MARGIN equal to approx. 35%

The Group does not expect material negative impacts deriving from the conflict between Ukraine and Russia, as it is not significantly exposed in such area.

30. Significant non-recurring events and transactions

According to the ESMA Communication no 32-63-1186 of 29 October 2021, the acquisition of the Luminex Group, described in paragraph "Business combinations, falls within the scope of non-recurring transactions.

31. Entries resulting from atypical and/or unusual transactions

As required by Consob Communication No. DEM/6064296 of July 28, 2006, the Company declares that, in 2021, the Group did not execute atypical and/or unusual transactions, as defined in the abovementioned Communication, according to which atypical and/or unusual transactions are transactions that, because of their significance/material amount, type of counterpart, subject of the transaction, method of determining the transfer price and timing of the event (proximity to the end of a reporting period), could create doubts with regard to: the fairness/completeness of the financial statement disclosures, the existence of a conflict of interest, the safety of the corporate assets and the protection of minority shareholders.

32. Translation of financial statements of foreign companies

The table below lists the main exchange rates used to translate into euros the 2021 financial statements of foreign companies:

Currency	Average exchange rates			Exchange rates at		
	2021	2020	Change	12/31/2021	12/31/2020	Change
U.S. dollar	1.1827	1.1422	4%	1.1326	1.2271	-8%
Brazilian real	6.3779	5.8943	8%	6.3101	6.3735	-1%
British pound	0.8596	0.8897	-3%	0.8403	0.8990	-7%
Swedish kronor	10.1465	10.4848	-3%	10.2503	10.0343	2%
Swiss franc	1.0811	1.0705	1%	1.0331	1.0802	-4%
Czech koruna	25.6405	26.4551	-3%	24.8580	26.2420	-5%
Canadian dollar	1.4826	1.5300	-3%	1.4393	1.5633	-8%
Mexican peso	23.9852	24.5194	-2%	23.1438	24.4160	-5%
Israeli shekel	3.8208	3.9258	-3%	3.5159	3.9447	-11%
Chinese yuan	7.6282	7.8747	-3%	7.1947	8.0225	-10%
Australian dollar	1.5749	1.6549	-5%	1.5615	1.5896	-2%
South African rand	17.4766	18.7655	-7%	18.0625	18.0219	0%
Norwegian krone	10.1633	10.7228	-5%	9.9888	10.4703	-5%
Polish Zloty	4.5652	4.4430	3%	4.5969	4.5597	1%
Indian Rupee	87.4392	84.6392	3%	84.2292	89.6605	-6%
Singapore Dollar	1.5891	1.5742	1%	1.5279	1.6218	-6%

33. Other information

Law no. 124 of 4 August 2017 (the Annual Market and Competition Law) defined that, as from 2019, companies receiving grants, financial support, remunerated duties and any kind of economic benefits from Public Administrations and similar bodies are required to publish such amounts in the Note to the financial statements and consolidated financial statements.

In 2021, the Company did not receive financial support or economic benefits from Public Administration in accordance with the aforementioned Law; for additional details that may apply, reference is made to documentation submitted by lending entities at the National Registry of State Aids.

This translated version of the financial statements constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. The financial statement has been translated into the English language solely for the convenience of international readers.

7. ANNEX I: LIST OF EQUITY INVESTMENTS WITH THE SUPPLEMENTAL DISCLOSURES REQUIRED BY CONSOB COMMUNICATION N. DEM/6064293

	Head office location	Currency	Share Capital (*)	Net profit/(loss) for the year (*)	Shareholders' equity in the latest approved financial statements (*)	Par value per share	% interest held directly	Shares or partnership interest held
Equity investments consolidated line by line								
DiaSorin S.A/N.V.	Bruxelles (Belgium)	EUR	1,674,000	2,918,702	8,497,402	6,696	99.99%	249
DiaSorin Ltda	Sao Paolo (Brazil)	BRL	65,547,409	14,091,822	31,788,619	1	99.99%	65,547,408
DiaSorin S.A.	Antony (France)	EUR	960,000	2,762,189	9,810,316	15,3	99.99%	62,492
DiaSorin Iberia S.A.	Madrid (Spain)	EUR	1,453,687	3,465,344	11,205,183	6,01	99.99%	241,877
DiaSorin Ltd	Dartford (UK)	GBP	500	2,123,333	2,885,565	1	100.00%	500
DiaSorin Inc.	Stillwater (USA)	USD	1	80,113,100	1,234,317,500	0,01	100.00%	100
DiaSorin Canada Inc	Mississauga (Canada)	CAD	200,000	555,400	2,229,600	N/A	-	100 Class A common shares
DiaSorin Molecular LLC	Cypress (USa)	USD	100,000	99,058,972	198,936,021	100,000	-	1
DiaSorin Mexico S.A de C.V.	Mexico City (Mexico)	MXP	63,768,473	(3,977,819)	48,242,393	1	99.99%	49,999
DiaSorin Deutschland GmbH	Dietzenbach (Germany)	EUR	275,000	1,863,174	7,608,669	275,000	100.00%	1
DiaSorin AB	Solna (Sweden)	SEK	5,000,000	4,731,961	28,461,766	100	100.00%	50,000
DiaSorin Ltd	Rosh HaAyin (Israel)	ILS	100	6,409,000	23,651,000	1	100.00%	100
DiaSorin Austria GmbH	Wien (Austria)	EUR	35,000	1,584,814	3,792,110	35,000	100.00%	1
DiaSorin Czech s.r.o.	Prague (Czech Republic)	CZK	200,000	33,142,000	234,494,000	200,000	100.00%	1
DiaSorin Ireland Limited	Dublin (Ireland)	EUR	163,202	(24,900)	19,852,997	1,2	100.00%	136,002
DiaSorin I.N.UK Limited	Dublin (Ireland)	EUR	7,826,072	(28,100)	11,634,693	0,01	100.00%	782,607,110
DiaSorin I.N. Limited	Dublin (Ireland)	EUR	1	4,452,341	6,348,122	0,01	100.00%	100
DiaSorin South Africa (PTY) Ltd	Sandton (South Africa)	ZAR	101	(2,914,673)	4,271,115	1	100.00%	101
DiaSorin Australia (Pty) Ltd	Sydney (Australia)	AUD	3,300,000	1,709,601	12,508,793	33,000	100.00%	100
DiaSorin Ltd	Shanghai (China)	RMB	22,000,000	(7,192,402)	41,144,063	1	76.00%	16,720,000
DiaSorin Switzerland AG	Rotkreuz (Switzerland)	CHF	100,000	1,820,522	2,535,579	100	100.00%	1,000
DiaSorin Poland sp. z o.o.	Warsaw (Poland)	PLN	550,000	4,590,240	14,037,573	50	100.00%	11,000
DiaSorin Healthcare India Private Limited	Chennai (India)	INR	4,700,000	71,727,527	249,283,779	10	0.01%	47,000
DiaSiorin APAC Pte. Ltd.	Singapore (Singapore)	EUR	1	71,527	418,666	N/A	100.00%	1
DiaSorin Middle East FZ-LLC	Dubai (UAE)	AED	50,000	-	-	1,000	100.00%	50
Luminex Corporation Inc,	Austin (USA)	USD	25,000	(9,595,271)	1,735,002,095	0,001	-	25,000,000
Luminex International Inc.	Austin (USA)	USD	1,000	-	968,373	0,001	-	1,000,000
Luminex 2 BV	s'Hertogenbosch (Netherlands)	EUR	90,000	(19,555)	12,113,261	1	-	90,000
Luminex 3 BV	s'Hertogenbosch (Netherlands)	EUR	90,000	(62,611)	493,581	1	-	90,000
Luminex BV	s'Hertogenbosch (Netherlands)	EUR	90,000	230,064	3,871,640	1	-	90,000
Labpac Pty Ltd	Sydney (Australia)	AUD	100	66,862	-	1	-	100,00
Luminex Japan Ltd	Tokyo (Japan)	JPY	1	10,560,053	253,768,769	1	-	1,00
Luminex Trading (Shanghai) Co. Ltd.	Shanghai (China)	RMB	455,219	1,008,933	22,280,770	N/A	-	-
Luminex Hong Kong Co, Ltd.	Hong Kong (Hong Kong)	HKD	100	930,149	10,636,725	10	-	10,00
Luminex London Ltd	London (UK)	GBP	1	45,470	570,827	1	-	1
Luminex Munich GmbH	Munich (Germany)	EUR	25,000	61,833	741,598	1	-	25,000
Luminex Paris SAS	Paris (France)	EUR	10,000	26,600	304,841	1	-	10,000
Luminex Molecular Diagnostics, Inc.	Toronto (Canada)	CAD	10,000,000	13,621,882	76,010,005	N/A	-	-

Nanosphere LLC	Wilmington (USA)	USD	1,000	13,852,029	37,262,491	0,001	-	1,000,000
ChandlerTec LLC	Wilmington (USA)	USD	1,000	-	-	0,001	-	1,000,000
Iris Biotech LLC	Wilmington (USA)	USD	1,000	-	-	0,001	-	1,000,000
Amnis LLC	Wilmington (USA)	USD	1,000	-	-	0,001	-	1,000,000
Equity investment valued at cost								
DiaSorin Deutschland Unterstuetzungskasse GmbH	Dietzenbach (Germany)	Euro	25,565	79,648	25,565	1	-	1

(*) Amounts stated in the local currency

8. ANNEX II: DISCLOSURE REQUIRED PURSUANT TO ARTICLE 149-DUODECIES OF THE CONSOB ISSUERS' REGULATIONS

(€ thousands)	**Party providing the service**	**Recipients**	**Fee attributable to 2021**
Independent Auditing	PricewaterhouseCoopers S.p.A.	Parent Company Diasorin S.p.A.	574
	PwC Network	Subsidiaries	923
	Other	Subsidiaries	13
Other services	PricewaterhouseCoopers S.p.A.	Parent Company Diasorin S.p.A.	252
	PwC Network	Subsidiaries	16
Total			**1,778**

9. CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF MAY 14, 1999, AS AMENDED)

i) We, the undersigned, Carlo Rosa, in my capacity as Chief Executive Officer, and Piergiorgio Pedron, in my capacity as Corporate Accounting Documents Officer, of the issuer DiaSorin S.p.A.,

attest that,

insofar as the provisions of Article 154-*bis,* Sections 3 and 4, of Legislative Decree No. 58 of February 24, 1998 are concerned, the administrative and accounting procedures applied to prepare the 2021 consolidated financial statements are:

a) adequate in light of the Company's characteristics; and

b) were applied effectively.

2. Moreover, we attest that:

2.1 the consolidated financial statements at December 31, 2021:

a) were prepared in accordance with the applicable international accounting principles recognized by the European Union, pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council dated July 19, 2002;

b) are consistent with the data in the supporting documents and accounting records;

c) are suitable for the purpose of providing a truthful and fair representation of the balance sheet, operating performance and financial position of the issuer an the Group;

2.2 the Report on Operations provides a reliable analysis of the Group's performance and result from operations and of the status of the issuer, together with a description of the main risks and uncertainties to which they are exposed.

Signed:

Carlo Rosa	Piergiorgio Pedron
Chief Executive Officer	Corporate Accounting Documents Officer

pwc

10. INDEPENDENT AUDITORS' REPORT

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of DiaSorin SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of DiaSorin Group (the Group), which comprise the consolidated statement of financial position as of 31 December 2021, the consolidated income statement, the consolidated comprehensive income statement, the statement of changes in consolidated shareholders' equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2021, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of DiaSorin SpA (the Company) pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	***Auditing procedures performed in***

Valutation of goodwill and other intangible assets

Note 11 to the consolidated financial statements as of 31 December 2021 "goodwill and other intangible assets"

Carrying amount of goodwill reported in financial statement is Euro 789,631 thousand and represents the 35% on total non-current assets. Carrying amount of other intangible assets reported in financial statements, which mainly relate to development costs, concessions, licenses and trademarks, customer relationship and industrial patents and intellectual property rights, is Euro 1,153,738 thousand and represents the 51% of total non-current assets.

Goodwill and other intangible assets are considered significant given their magnitude in the financial statements as well as the underlying estimation elements included in the assumptions developed by Directors on future forecasts, such as discount rates and cash flows growth rate.

International financial reporting standards as adopted by European Union ("IFRS"), and in particular IAS 36 – Impairment of assets, state that an impairment test exercise shall be performed on a yearly basis for Goodwill and, in case of impairment indicators for intangible assets with a definite life, through the estimation of recoverable amounts.

Recoverable amount, determined as the value in use, is equal to the present value of the future cash flows belonging to each Cash Generating Unit.

Cash Generating Units identified by Group correspond to stand-alone subsidiaries or aggregations of them.

response to key audit matters

We analysed the estimated cash flow projections, prepared and used for the impairment test of goodwill and other intangible assets, also through meetings with Directors who described the process to prepare the above projections.

We compared the 2021 actual results with the expected figures included in the previous year impairment test and analysed main variances to assess the reliability of forecasts prepared by Directors.

We have verified the reasonableness of the process for identifying the Cash Generating Units.

We analysed and understood the main assumptions underlying forecasted revenue and costs for Cash Generating Units as well as verified their reasonableness based on actual results, future strategic developments and expected market evolutions.

We verified, through the involvement of valuation experts belonging to PwC network, the impairment test methodology, the mathematical accuracy of the model used and the reasonableness of assumptions included, also in connection with the determination of the terminal value and the discount rate.

We verified the sensitivity analysis in relation to the recoverability of goodwill and other intangible assets considering possible future changes in key assumptions such as future cash flows or discount rate.

We verified the accuracy of assets and liabilities related to the Cash Generating Units, including the goodwill and other intangible assets allocated, which are compared to recoverable amount.

Business Combination – Luminex group acquisition

Note "Business combination" to the consolidated financial statements as of 31 December 2021

On 14 July 2021 the DiaSorin Group completed the acquisition of the entire capital of Luminex Corporation and its subsidiaries (the "Luminex Group"), as described in the paragraph "Business combinations" included in the notes to the Consolidated Financial Statements as of 31 December 2021.

The transaction has been completed following and as a result of the merger by incorporation of Diagonal Subsidiary Inc. - a wholly-owned subsidiary of DiaSorin S.p.A. (indirectly through DiaSorin Inc.) - into Luminex Corporation. As a result of the reverse merger DiaSorin Inc., a wholly and directly owned subsidiary of DiaSorin S.p.A., holds 100% of Luminex Corporation share capital for a consideration equal to Euro 1,441,990 thousand, also financed through the issue of a convertible bond loan and the signing of a bank financing agreement (the "Transaction").

DiaSorin Group consolidated the values relating to the acquired business starting from the date of acquisition of control by accounting for the Transaction in accordance with the international accounting standard IFRS 3 - Business combinations.

Directors have provisionally defined the fair value of the acquired assets and the assumed liabilities. The difference between the consideration paid and the fair value of the acquired assets and the

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
	We finally assessed the appropriateness and completeness of the financial statements disclosure focusing on assumptions and sensitivity analysis reported.
Audit procedures in response to the identified key audit matter are summarized below: • analysis of the agreements in order to understand the relevant terms and conditions; • examination of the minutes of the meetings of the corporate bodies of the Parent Company during which the	• verification of the mathematical accuracy of the calculation of goodwill as a residual amount emerging after the determination of the fair value of the assets acquired and the liabilities assumed. The value of goodwill is closely related to the completion of the process of determining the fair value of the identified assets and liabilities determined on a provisional basis. Finally, we verified the adequacy and

Transaction was discussed and resolved;

• analysis of the accounting treatment of the Transaction;

• verification of the procedure, the methodology and the reasonableness of the assumptions used by Directors to determine the fair value of the acquired assets and the assumed liabilities;

• involvement, where necessary, of valuation experts belonging to PwC network;

completeness of the information contained in

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
assumed liabilities has been recognized as "Goodwill". The fair value valuation of the acquired assets and the assumed liabilities required a significant estimation process in consideration of the assumptions used to determine the valuation itself. For this aspect, Directors were supported, where deemed necessary, by appointed external experts. In consideration of the significance of the Transaction, the underlying complexities of the related accounting process and the fair value measurement of the acquired assets and the assumed liabilities, we consider the business combination as a key audit matter.	the notes to the consolidated financial statements.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate DiaSorin SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On 28 April 2016, the shareholders of DiaSorin SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2016 to 31 December 2024.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of DiaSorin SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the consolidated financial statements, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of DiaSorin SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the DiaSorin Group as of 31 December 2021, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the consolidated financial statements of the DiaSorin Group as of 31 December 2021 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of DiaSorin Group as of 31 December 2021 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Statement in accordance with article 4 of Consob's Regulation implementing Legislative Decree No. 254 of 30 December 2016

The directors of DiaSorin SpA are responsible for the preparation of the non-financial statement pursuant to Legislative Decree No. 254 of 30 December 2016.
We have verified that the directors approved the non-financial statement.

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016, the nonfinancial statement is the subject of a separate statement of compliance issued by ourselves.

Milan, 7 April 2022

PricewaterhouseCoopers SpA

Signed by

Stefano Pavesi
(Partner)

As disclosed by the Directors on note 33 – Other information, the accompanying financial statements of DiaSorin SpA constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

STATUTORY FINANCIAL STATEMENTS OF DIASORIN S.P.A. AT DECEMBER 31, 2021

1. INCOME STATEMENT PURSUANT TO CONSOB RESOLUTION NO.15519 OF JULY 27, 2006

(€ thousands)	**Notes**	**2021**	***Amount with related parties***	**2020**	***Amount with related parties***
Net revenues	(1)	583,093	354,335	471,019	288,976
Cost of sales	(2)	(304,025)	(115,638)	(241,931)	(85,427)
Gross profit		**279,068**		**229,088**	
Sales and marketing expenses	(3)	(37,359)	(1,394)	(33,101)	145
Research and development costs	(4)	(24,066)	1,847	(27,768)	722
General and administrative expenses	(5)	(42,146)	(8,543)	(36,769)	(7,690)
Other operating income (expenses)	(6)	(8,118)	5,703	(1,484)	2,843
Non-recurring amount		*(9,867)*		*(711)*	
EBIT		**167,379**		**129,966**	
Net financial income (expense)	(7)	13,018	12,942	62,533	68,070
Result before taxes		**180,397**		**192,499**	
Income taxes	(8)	(41,549)		(28,283)	
Net result		**138,848**		**164,216**	

2. STATEMENT OF FINANCIAL POSITION PURSUANT TO CONSOB RESOLUTION NO.15519 OF JULY 27, 2006

(€ thousands)	**Notes**	**12/31/2021**	***Amount with related parties***	**12/31/2020**	***Amount with related parties***
ASSETS					
Non-current assets					
Property, plant and equipment	(10)	72,231		63,311	
Goodwill	(11)	39,757		39,757	
Intangible assets	(11)	81,600		77,662	
Equity investments	(12)	658,288		113,476	
Deferred-tax assets	(13)	4,867		4,945	
Other non-current assets	(17)	3,327	2,633	3,907	3,049
Other non-current financial assets	(16)	42,206	42,206	41,826	41,826
Total non-current assets		*902,276*		*344,884*	
Current assets					
Inventories	(14)	120,130		112,565	
Trade receivables	(15)	156,210	108,089	135,036	86,937
Financial receivables	(16)	6,600	6,600	6,013	6,013
Other current assets	(17)	9,755		6,310	
Other current financial assets	(20)	-		126	
Cash and cash equivalents	(18)	146,446		134,304	
Total current assets		*439,141*		*394,354*	
TOTAL ASSETS		**1,341,417**		**739,238**	

STATEMENT OF FINANCIAL POSITION *(continued)*
pursuant to CONSOB Resolution no. 15519 of July 27, 2006

(€ thousands)	**Notes**	**12/31/2021**	***Amount with related parties***	**12/31/2020**	***Amount with related parties***
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity					
Share capital	(19)	55,948		55,948	
Additional paid-in capital	(19)	18,155		18,155	
Statutory reserve	(19)	11,190		11,190	
Other reserves and retained earnings	(19)	563,874		385,728	
Treasury shares	(19)	(120,022)		(109,546)	
Net profit for the year		138,848		164,216	
Total shareholders' equity		**667,993**		**525,691**	
Non-current liabilities					
Non-current financial liabilities	(20)	450,525		10,312	
Provisions for employee benefits	(21)	6,852	2,212	6,198	1,317
Other non-current liabilities	(22)	23,446		21,213	
Total non-current liabilities		*480,823*		*37,723*	
Current liabilities					
Trade payables	(23)	79,711	32,545	65,386	24,061
Current financial liabilities	(20)	88,769	87,538	71,771	70,735
Other current financial liabilities	(20)	1,037		-	
Other liabilities	(24)	23,084	74	22,479	74
Current tax liabilities	(25)	-		16,188	
Total current liabilities		*192,601*		*175,824*	
TOTAL LIABILITIES		**673,424**		**213,547**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,341,417**		**739,238**	

3. Statement of cash flows pursuant to CONSOB Resolution No.15519 of July 27, 2006

(€ thousands)	**2021**	*Amount with related parties*	**2020**	*Amount with related parties*
Cash flow from operating activities				
Net profit for the year	138,848		164,216	
Adjustments for:				
- Income taxes	41,549		28,283	
- Depreciation and amortization	23,696		22,796	
- Financial expense (income)	(13,018)		(62,533)	
- Additions to/Utilizations of provisions for risks	3,212		4,064	
- (Gains)/Losses on sales of non-current assets	(509)		(257)	
- Additions to/(Reversals of) provisions for employee severance indemnities and other employee benefits	680		(30)	
- Changes in shareholders' equity reserves:				
- Stock options reserve	4,186		4,820	
- Translation reserve on operating activities	(58)		185	
- Change in other non-current assets/liabilities	(3,962)	895	(556)	1,317
Cash flow from operating activities before changes in working capital	**194,624**		**160,988**	
(Increase)/Decrease in current receivables	(21,173)	(21,152)	(24,055)	(18,932)
(Increase)/Decrease in inventories	(7,565)		(11,138)	
Increase/(Decrease) in trade payables	14,326	8,484	623	(2,539)
(Increase)/Decrease in other current items	(182)		(1,386)	(2)
Cash from operating activities	**180,030**		**125,032**	
Income taxes paid	(59,269)		(8,762)	
Paid/ collected interests	7,199		(797)	
Net cash from operating activities	**127,960**		**115,473**	
Investments in intangibles	(13,321)		(9,915)	
Investments in property, plant and equipment	(19,497)		(15,779)	
Equity investments	(542,466)		-	
Dividends received	11,934	11,934	95,699	95,699
Divestments of tangible assets	1,292		164	
Cash used in investing activities	**(562,058)**		**70,169**	
(Repayment of)/ Proceeds from loans and other liabilities	493,311		(1,878)	
Increase)/Decrease) in financial items due to Group companies	16,216	16,216	(8,905)	(8,905)
(Purchase)/Sale of treasury shares, stock options exercise	(8,578)		(26,093)	
Dividend distribution	(54,709)		(52,053)	
Cash from financing activities	**446,240**		**(88,929)**	
Foreign exchange translation differences	-		(853)	
Net change in cash and cash equivalents	**12,142**		**95,860**	
Cash and cash equivalents- opening balance	**134,304**		**38,444**	
Cash and cash equivalents -closing balance	**146,446**		**134,304**	

4. Statement of Changes in Shareholders' Equity

(€ thousands)	Share capital	Treasury shares	Additional paid-in capital	Statutory reserve	Stock option reserve	Reserve for treasury shares	Currency translation reserve	Other reserves and retained earnings	Net profit for the year	Group interest in Shareholder's equity
Shareholders' equity at 31/12/2019	**55,948**	**(81,849)**	**18,155**	**11,190**	**6,150**	**81,849**	**(362)**	**230,629**	**113,648**	**435,358**
Appropriation of previous year's profit	-	-	-	-	-	-	-	113,648	(113,648)	-
Dividend distribution	-	-	-	-	-	-	-	(52,053)	-	**(52,053)**
Capital increase	-	-	-	-	-	-	-	-	-	-
Stock options and other changes	-	-	-	-	3,494	-	-	1,326	-	**4,820**
Translation adjustment	-	-	-	-	-	-	(496)	-	-	**(496)**
Gains/(losses) on remeasurement of defined benefit plans, net of tax effects	-	-	-	-	-	-	-	(61)	-	**(61)**
Sale/(Purchase) of treasury shares	-	(27,697)	-	-	-	27,697	-	(26,093)	-	**(26,093)**
Profit for the year	-	-	-	-	-	-	-	-	164,216	164,216
Other changes in the comprehensive income statement	-	-	-	-	-	-	(496)	(61)	-	**(557)**
Comprehensive profit	-	-	-	-	-	-	(496)	(61)	164,216	**163,659**
Shareholders' equity at 12/31/2020	**55,948**	**(109,546)**	**18,155**	**11,190**	**9,644**	**109,546**	**(858)**	**267,396**	**164,216**	**525,691**
Appropriation of previous year's profit	-	-	-	-	-	-	-	164,216	(164,216)	-
Dividend distribution	-	-	-	-	-	-	-	(54,709)	-	**(54,709)**
Stock options and other changes	-	-	-	-	4,635	-	-	1,731	-	**6,366**
Translation adjustment	-	-	-	-	-	-	638	-	-	**638**
Gains/(losses) on remeasurement of defined benefit plans, net of tax effects	-	-	-	-	-	-	-	(63)	-	**(63)**
Ex IAS 32 convertible debt reserve	-	-	-	-	-	-	-	59,800		**59,800**
Sale/(Purchase) of treasury shares	-	(10,476)	-	-	-	10,476	-	(8,578)	-	**(8,578)**
Profit for the year	-	-	-	-	-	-	-	-	138,848	**138,848**
Other changes in the comprehensive income statement	-	-	-	-	-	-	638	(63)	-	**575**

Comprehensive profit for the period	-	-	-	-	-	-	638	(63)	**138,848**	**139,423**
Shareholders' equity at 12/31/2021	**55,948**	**(120,022)**	**18,155**	**11,190**	**14,279**	**120,022**	**(220)**	**429,793**	**138,848**	**667,993**

5. INCOME STATEMENT

(in €)	Note	2021	2020
Net Revenues	(1)	583,093,327	471,018,647
Cost of sales	(2)	(304,025,094)	(241,930,784)
Gross profit		**279,068,233**	**229,087,863**
Sales and marketing expenses	(3)	(37,358,863)	(33,101,072)
Research and development costs	(4)	(24,065,766)	(27,768,455)
General and administrative expenses	(5)	(42,145,766)	(36,768,933)
Other operating income (expense)	(6)	(8,118,500)	(1,483,491)
Non-recurring amount	(6)	*(9,867,385)*	*(711,357)*
Operating result (*EBIT*)		**167,379,338**	**129,965,912**
Net financial income (expense)	(7)	13,018,270	62,532,346
Result before taxes		**180,397,608**	**192,498,258**
Income taxes	(8)	(41,548,837)	(28,282,472)
Net Result		**138,848,771**	**164,215,786**

Pursuant to Consob Resolution No. 15519 of July 27, 2006, the impact of related-party transactions on the income statement of DiaSorin S.p.A. is shown in a separate income statement schedule provided in the pages above.

6. Comprehensive income statement

(€ thousands)	**2021**	**2020**
Net profit for the year (A)	**138,848**	**164,216**
Other comprehensive gains/(losses) that will not be reclassified in gain/loss of the period:		
Gains/(losses) on remeasurement of defined-benefit plans	(63)	(61)
Total comprehensive gains/losses that will not be reclassified in gain/loss of the period (B1)	**(63)**	**(61)**
Other comprehensive gains/(losses) that will be reclassified in gain/loss of the period:		
Gains/(losses) from translation of financial statements of foreign branches	638	(496)
Total comprehensive gains/(losses) that will be reclassified in gain/loss of the period (B2)	**638**	**(496)**
TOTAL COMPREHENSIVE GAINS/(LOSSES), NET OF TAX EFFECT (B1) +(B2) =(B)	**575**	**(557)**
TOTAL COMPREHENSIVE GAINS/(LOSSES) (A)+(B)	**139,423**	**163,659**

7. STATEMENT OF FINANCIAL POSITION

(in €)	**Notes**	**12/31/2021**	**12/31/2020**
ASSETS			
Non-current assets			
Property, plant and equipment	(10)	72,231,077	63,310,798
Goodwill	(11)	39,756,621	39,756,621
Intangible assets	(11)	81,600,252	77,661,988
Equity investments	(12)	658,287,837	113,476,133
Deferred-tax assets	(13)	4,867,094	4,944,773
Other non-current assets	(17)	3,326,593	3,908,181
Other non-current financial assets	(16)	42,205,655	41,825,665
Total non-current assets		**902,275,129**	**344,884,159**
Current assets			
Inventories	(14)	120,130,202	112,564,911
Trade receivables	(15)	48,120,921	48,099,360
Trade receivables from Group companies	(15)	108,088,695	86,937,121
Financial receivables from Group companies	(16)	6,599,839	6,013,209
Other current assets	(17)	9,756,433	6,309,736
Other current financial assets	(20)	-	125,660
Cash and cash equivalents	(18)	146,446,195	134,303,741
Total current assets		**439,142,285**	**394,353,738**
TOTAL ASSETS		**1,341,417,414**	**739,237,897**

Pursuant to Consob Resolution No. 15519 of July 27, 2006, the impact of related-party transactions on the income statement of DiaSorin S.p.A. is shown in a separate income statement schedule provided in the pages above.

STATEMENT OF FINANCIAL POSITION *(continued)*

(in €)	**Notes**	**12/31/2021**	**12/31/2020**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	(19)	55,948,257	55,948,257
Treasury shares	(19)	(120,021,947)	(109,545,617)
Additional paid-in capital	(19)	18,155,103	18,155,103
Statutory reserve	(19)	11,189,651	11,189,651
Other reserves and retained earnings	(19)	563,873,634	385,727,980
Net profit for the year		138,848,771	164,215,786
Total shareholders' equity		**667,993,469**	**525,691,160**
Non-current liabilities			
Non-current financial liabilities	(20)	450,525,369	10,312,418
Provisions for employee benefits	(21)	6,851,845	6,198,115
Other non-current liabilities	(22)	23,446,041	21,211,567
Total non-current liabilities		**480,823,255**	**37,722,100**
Current liabilities			
Trade payables	(23)	47,166,468	41,325,452
Trade payables due to Group companies	(23)	32,545,075	24,060,579
Current financial liabilities	(20)	1,231,271	1,036,416
Payables due to Group companies	(20)	87,537,729	70,735,080
Other current financial liabilities	(20)	1,037,384	-
Other liabilities	(24)	23,082,763	22,478,921
Current tax liabilities	(25)	-	16,188,189
Total current liabilities		**192,600,690**	**175,824,637**
TOTAL LIABILITIES		**673,423,945**	**213,546,737**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,341,417,414**	**739,237,897**

Pursuant to Consob Resolution No. 15519 of July 27, 2006, the impact of related-party transactions on the income statement of DiaSorin S.p.A. is shown in a separate income statement schedule provided in the pages above.

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8. STATEMENT OF CASH FLOWS

(€ thousands)	**2021**	**2020**
Cash flow from operating activities		
Net profit for the year	138,848	164,216
Adjustments for:		
- Income taxes	41,549	28,283
- Depreciation and amortization	23,696	22,796
- Financial expense (income)	(13,018)	(62,533)
- Additions to/Utilizations of provisions for risks	3,212	4,064
- (Gains)/Losses on sales of non-current assets	(509)	(257)
- Additions to/(Reversals of) provisions for employee severance indemnities and other employee benefits	680	(30)
- Changes in shareholders' equity reserves:		
- Stock options reserve	4,186	4,820
- Cumulative translation adjustment from operating activities	(58)	185
- Change in other non-current assets/liabilities	(3,962)	(556)
Cash flow from operating activities before changes in working capital	**194,624**	**160,988**
(Increase)/Decrease in current receivables	(21,173)	(24,055)
(Increase)/Decrease in inventories	(7,565)	(11,138)
Increase/(Decrease) in trade payables	14,326	623
(Increase)/Decrease in other current items	(182)	(1,386)
Cash from operating activities	**180,030**	**125,032**
Income taxes paid	(59,269)	(8,762)
Paid/ collected interests	7,199	(797)
Net cash from operating activities	**127,960**	**115,473**
Investments in intangibles	(13,321)	(9,915)
Investments in property, plant and equipment	(19,497)	(15,779)
Equity investments	(542,466)	-
Dividends received	11,934	95,699
Divestments of tangible assets	1,292	164
Cash used in investing activities	**(562,058)**	**70,169**
Repayment of)/ Proceeds from loans and other liabilities	493,311	(1,878)
(Issuance)/Repayments of term deposit	-	-
Increase)/Decrease) in financial items due to Group companies	16,216	(8,905)
(Purchase)/Sale of treasury shares, stock options exercise	(8,578)	(26,093)
Dividend distribution	(54,709)	(52,053)
Cash from financing activities	**446,240**	**(88,929)**
Foreign exchange translation differences	-	(853)
Net change in cash and cash equivalents	**12,142**	**95,860**
Cash and cash equivalents- opening balance	**134,304**	**38,444**
Cash and cash equivalents -closing balance	**146,446**	**134.304**

Pursuant to Consob Resolution No. 15519 of July 27, 2006, the impact of related-party transactions on the income statement of DiaSorin S.p.A. is shown in a separate income statement schedule provided in the pages above.

9. NOTES TO THE FINANCIAL STATEMENTS OF DIASORIN S.P.A. AT DECEMBER 31, 2021

GENERAL INFORMATION

Background information

The DiaSorin Group is specialized in the development, manufacture and distribution of products in the immunodiagnostics and molecular diagnostics. DiaSorin S.p.A., the Group's Parent Company, has its headquarters in Via Crescentino (no building No.), Saluggia (VC).

The Company owns controlling interests in other companies, which it carried at cost in its financial statements and, consequently, also prepared consolidated financial statements, which provide exhaustive additional information about the balance sheet, financial position and income statement of the Company and the Group.

The income statement and the statement of financial position are presented in Euros, while the statement of cash flows, the statements of changes in shareholders' equity and the breakdown of total profit (loss) are presented in thousands of euros. The amounts that appear in the notes to the financial statements are also in thousands of euros.

On March 16, 2022 the Board of Directors authorized the publication of these financial statements.

Principles for the preparation of the statutory financial statements

The 2021 consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs"), i.e. the "International Financial Reporting Standards" "International Accounting Standards" (IAS), the interpretations of the "International Reporting Interpretations Committee" (IFRIC), previously known as the "Standing Interpretations Committee" (SIC) which, at the closing date of the consolidated financial statements, have been endorsed by the European Union according to the procedure laid down in Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, and the regulations enacted to implement Article 9 of Legislative Decree No. 38/2005.

The financial statements and the accompanying notes include the additional information that accounting schedules and other financial statement disclosures are required to provide pursuant to Consob Resolution No. 15519 of July 27, 2006 and the Consob Communication of July 28, 2006.

The financial statements were prepared in accordance with the historical cost and going concern principles, as the Directors have verified that there are no financial, managerial or other indicators that may show critical issues concerning the Group capacity to fulfil its commitments in the foreseeable future and, more specifically, in the next 12 months. A description of how the Group manages financial risks is provided in the notes to the Management of financial risks.

The preparation of financial statements in accordance with the IFRSs requires the use of estimates for some material amounts. In addition, the Company's management is required to make judgments and assumptions as to how the Company's accounting policies should be applied in certain areas. The areas of the financial statements that require the greatest attention or are especially complex and, consequently, involve the most significant estimated amounts are discussed in a separate Note later in this Report.

The financial statements of the U.K. Branch were consolidated by the line-by-line consolidation method.

Under this method, assets, liabilities, expenses and revenues are consolidated using their full amount, irrespective of the percentage interest held, and the minority interest in shareholders' equity and net profit is shown in separate line items of the consolidated financial statements.

Financial statement presentation format
The following provides the presentation formats and classification criteria adopted by the Group in respect of the accounting options set forth in IAS 1 Presentation of financial statements:

- The Consolidated Statement of Financial Position has been prepared by classifying assets and liabilities according to the "current/non-current" criteria;
- The Comprehensive Income Statement has been prepared by classifying expenses by function in addition to profit (loss) of the period, other changes in equity other than transactions carried out with Company's shareholders. This classification of the income statement, or by destination, is representative of the format used for internal reporting and management purposes and is in line with international practice in diagnostic sector.
- The Consolidated Statement of Cash flows is presented by stating cash flows provided by operating activities according to the "indirect method".
- In addition, in accordance with Consob Resolution no. 15519 of 28 July 2006, within the income statement income and expenses from non-recurring transactions are identified separately; similarly, the financial statements show separately any balances related to receivable/payable positions and transactions with related parties, which are further described in the section of these Notes to the financial statements entitled "Transactions with related parties".

The Consolidated Financial Statements were prepared based on the conventional historical cost criterion, except for the measurement of financial assets and liabilities in those cases in which the use of the fair value criterion is mandatory.

VALUATION CRITERIA AND ACCOUNTING PRINCIPLES

Property, plant and equipment

The primary components of property, plant and equipment include:
a) Land;
b) Industrial buildings;
c) General purpose and specialized facilities;
d) Machinery;
e) Manufacturing and distribution equipment;
f) Right-of-use assets (in accordance with IFRS 16 accounting standards)
g) Other assets.

These assets are recognized at their acquisition or production cost, plus directly attributable incidental expenses. Items of property, plant and equipment are valued at cost. Their cost is reduced by depreciation (with the exception of land, which is not depreciated) and write-downs for impairment.
Depreciation is computed on a straight-line basis at rates that reflect an asset's decrease in value and wear and tear. Depreciation is computed from the moment an asset is available for use.

Significant components of property, plant and equipment that have different useful lives are recognized separately and each one is depreciated in accordance with its own useful life.
The useful lives and residual values of these assets are reviewed each year upon the closing of the annual financial statements.

In accordance with the IFRS 16 accounting principles, the Group as lessee recognizes the so-called right -of - use asset under lease at the initial leasing date (i.e., the date on which the underlying asset is available for use). Right-of use-asset is measured at cost, net of any accumulated depreciation and impairments and adjusted for any remeasurement of the lease liability. The cost of the right-of-use asset includes the amount of the lease liabilities recognized, the initial direct costs incurred and the payment of leases at the commencement date or before, net of any incentives received. The right-of-use asset is depreciated on a straight-line basis from the lease commencement date to the end of the useful life of the right-of use asset, if earlier, to the lease's term.
If the lease transfers ownership of the asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise the option to purchase the asset, the Group shall depreciate the right-of-use asset from the lease commencement date to the end of the useful life of the underlying asset.

The depreciation rates used are as follows:

Industrial buildings	5,5%
General purpose and specialized facilities	10-12%
Machinery	12%
Manufacturing and distribution equipment	40%
Equipment held by customers	14-25%
Reconditioned equipment held by customers	20-33%
Right-of-use assets	5.5%-33%

Costs incurred for regular maintenance and repairs are charged directly to income the year they are incurred. Costs incurred to recondition equipment are capitalized only to the extent that the reconditioned equipment meets the requirements to be recognized separately as an asset or an asset component in accordance with the component approach. Reconditioning costs and any non-depreciated residual values are depreciated over the asset's residual life, which is estimated at three years.

Leasehold improvements that meet the requirements of IAS 16 "Property, Plant and Equipment" are classified as property, plant and equipment and depreciated over the asset's residual life or the remaining length of the lease, whichever is shorter.

If, irrespective of the amount of depreciation already taken, the recoverable value of an asset, computed in accordance with the method provided in IAS 36, is lower than its carrying value, the latter is written down to the assets' recoverable value and the resulting impairment loss is recognized. If in subsequent years the reasons for the original write-down cease to apply, the asset is restored to its original value (net of any depreciation that would have been taken had the asset not been written down) or its recoverable value, whichever is lower.

Gains and losses on the disposal or retirement of assets, which are computed as the difference between the sales proceeds and the asset's net carrying value, are recognized in the income statement for the year.

In accordance with IFRS 16 accounting standard, if changes to lease contracts result in a change in the accounting for the existing lease, the Group recognizes a remeasurement of the carrying amount of the right-of-use asset and a change, at the same time, in the lease liability; any gains or losses resulting from the remeasurement are recognized in the income statement of the period.

Intangible assets

Intangible assets are recognized in the statement of financial position only if they are identifiable, controllable, there is an expectation that they will produce future economic benefits and their cost can be measured reliably.
Intangible assets with a finite useful life are valued at their acquisition or production cost or at their appraised value, net of accumulated amortization and impairment losses. Amortization is computed on the basis of an asset's estimated useful life and begins when an asset is available for use. Useful lives are reviewed annually and the impact of any changes is reflected prospectively.
Intangible assets with an indefinite useful life are not amortized. They are tested for impairment annually or more frequently, if necessary, even when there are no indications that the value of the assets has been impaired. These tests are carried out for each cash generating unit to which intangible assets have been allocated.

Intangible assets with an indefinite useful life

Goodwill

Goodwill generated through the acquisition of a subsidiary or another business combination is the portion of the purchase price paid in excess of the Group's interest in the fair value on the date of acquisition of the acquired assets, liabilities and identifiable contingent liabilities. Goodwill is recognized as an intangible asset with an indefinite useful life and is not amortized. However, its carrying amount is tested once a year (or more often if necessary) for impairment, even when there are no indications that its value has been impaired, and to test the indefinite life assumption. Impairment losses are immediately recognized in profit or loss and may not be reversed subsequently. After initial recognition, goodwill is valued at cost, less any accumulated impairment losses. When a subsidiary is sold, the net carrying amount of the goodwill allocated to that subsidiary is included in the computation of the gain or loss generated by the sale.

For impairment test purposes, goodwill is allocated to the cash generating units (CGUs).

Intangible assets with a defined life

Development costs

Costs incurred internally to develop new products or systems constitute an intangible asset and may be recognized as such only if all the following requirements can be satisfied:

- It is a technically feasible to complete an asset so that it will be available for use or sale and the Group intends to do so.
- The Group is able to sell, exchange or distribute the future economic benefits attributable to an asset without having to relinquish future economic benefits generated by other assets used by the same cash generating unit.
- There is evidence that the costs incurred will generate probable future benefits. Such evidence can consist of the existence of a market for the output of the asset or of the usefulness of the asset, if used internally.
- The Group has access to adequate technical and financial resources to complete the development of the asset and to sell or use internally its output.
- The expenditures attributable to the asset during its development can be measured reliably.

Capitalized development costs include only the expenditures that can be attributed directly to the development process.

In the first year, amortization is computed based on the length of time during which the asset is effectively in use. The useful life of development costs is estimated at 10 years, in accordance with the maximum length of time during which management believes that the asset will generate economic benefits.

Research and development costs that do not satisfy the requirements listed above are charged to income immediately and may not be capitalized in subsequent years.

Other intangibles

Other intangibles are recognized in the statement of financial position only it is probable that their use will generate future economic benefits and if their cost can be measured reliably. If these conditions are met, these intangible assets are recognized at cost, which is their purchase price plus incidental expenses.

The gross carrying amount of intangible assets with a finite useful life is amortized on a straight-line basis based on the assets' estimated useful lives. Amortization begins when an asset is put into use. In the first year, amortization is computed based on the length of time during which the asset is effectively in use.
The Group uses the following amortization rates:

Asset type	Amortization rate
Concessions, licenses and similar rights	6.67-10% or length of contract
Trademarks	5% - 20%
Customer relationship	6.67-10%
Industrial patent and intellectual property rights	Legal duration

The duration of the amortization period, which is based on internal analyses and valuations, development plans and the return flows from their use, is deemed to be consistent with expectations concerning the duration and development of the Group's activities and products and with the likelihood that the positions achieved in the diagnostics market will be retained.

Impairment of assets

The Group tests its property, plant and equipment and its intangible assets once a year to determine whether the value of these assets has been impaired. If evidence of impairment is detected, the recoverable value of the affected assets is determined. Intangibles with an indefinite useful life, intangibles that are not yet ready for use and goodwill are tested for impairment at least once a year, even when there is no indication that the value of the assets has been impaired, or more often if there is an indication that their value may have been impaired, as required.

An asset's recoverable amount is the higher of its fair value, less cost to sell, and its value in use, computed as the present value of the future cash flows expected to be derived from an asset or cash-generating unit. Expected future cash flows reflect assumptions that are consistent with the criteria applied to determine the discount rate. Cash flow projections are based on Company plans and on reasonable and documented assumptions about the Group's future results and macroeconomic conditions.

The discount rate used must reflect the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

When the recoverable amount of an individual asset cannot be estimated, the Group estimates the recoverable amount of the CGU to which the asset belongs.

Whenever the recoverable amount of an asset or a CGU is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the reduction is recognized as an impairment loss in the income statement. Subsequently, if a previously recognized impairment loss for an asset other than goodwill ceases to exist or is reduced, the carrying amount of the asset (or CGU) is increased to the new estimated recoverable amount (but not more than the asset's net carrying amount had no impairment loss been recognized). This reversal is recognized immediately in earnings. Impairment losses recognized on goodwill or intangibles with indefinite useful life are in no way recoverable.

Equity investments in subsidiaries

As required by IFRS 5, equity investments in subsidiaries, joint ventures and affiliated companies that are not classified as held-for-sale assets (or included in discontinuing operations classified as held-for-sale assets) are recognized in accordance with the historical cost method. Specifically, the Company recognizes income on equity investments only if it receives from the investee company dividends generated subsequent to acquisition and only for the amount of the dividends.

Whenever financial statements are prepared, the Company determines whether there are indications that the value of these investments may have been impaired. If such indications exist, an impairment test is carried out to determine if the carrying amount of the investments corresponds to their fair value. Any impairment loss is recognized only to the extent that the recoverable value is lower than the carrying amount of the asset. If, subsequent to the recognition of the impairment loss, there are indications that the loss no longer exists or has decreased, the value of the investment is reinstated to reflect the loss reduction. Once the carrying amount of an equity investment has been written off, any additional losses suffered by the investee company are recognized as a liability if the Parent Company has a legal or implied obligation to cover such additional losses of the investee company.

The book value of equity investments is increased to take into account stock options awarded to subsidiaries employees and, in accordance with IFRS 2, it is treated as a capital contribution to the subsidiaries in question.

Inventories

Inventories, which consist mainly of raw materials, work-in-progress and finished products, are carried at the lower of cost and net realizable value, determined in accordance with market conditions. Costs include the price paid to suppliers plus the incidental expenses incurred to bring the purchased goods to the warehouse door, net of discounts and rebates. Production costs include the costs directly attributable to individual goods or classes of goods, plus a reasonable allocation of the overall outlays incurred for the activities carried out to produce the goods in question (fixed production overhead). The allocation of fixed production overhead is based on the normal capacity of the production facilities. Cost is determined by the FIFO method.

The carrying amount of inventories, determined in the manner described above, is reduced by a provision that reflects the impact of obsolete and slow-moving inventory items.

Receivables and payables

Trade and other receivables are valued at amortized cost using the effective interest rate, less impairment losses, except receivables within a business model whose objective is achieved by either collection of contractual cash flows or sale (hold to collect and sell). These receivables are measured at fair value with changes recognized directly in the comprehensive income statement.
Impairment losses on receivables are recognized through the simplified approach required by IFRS 9 to measure loss allowance through lifetime expected credit loss. Specifically, the Group calculates expected credit loss using a provision matrix, which is estimated on the basis of historical credit loss experience for past due receivables and is adjusted to reflect current conditions and estimates on relevant future economic conditions.
Trade payables and other payables are initially recognized at fair value, net of directly allocated accessory costs and are subsequently measured at amortized cost, applying the effective interest rate criteria.
Receivables and payables denominated in foreign currencies are translated at the exchange rates in force on the date of the financial statements and any resulting gains or losses are recognized in earnings.

Factoring of receivables

The DiaSorin Group engages in the factoring of its receivables.
When all risks and benefits relating to ownership and contractual rights are transferred to cash flows deriving thereof, receivables assigned through such transactions are removed from the statement of financial position. In such event, cumulative changes in fair value - previously recognized in the comprehensive income statement - are transferred to the income statement. Conversely, if requirements for derecognition of assets are not met, receivables are recognized as such in the Group financial statements; a corresponding financial liability is recognized in the consolidated statement of financial position as "financial payables".

Cash and cash equivalents

They consist of cash and cash equivalents, short-term bank deposits, shares in liquidity funds and other money market securities readily converted into cash.

Shareholders' equity

Equity instruments issued by the Group's Parent Company are recognized for the amount of consideration received. Dividends distributed by the Group's Parent Company are recognized as a liability when the distribution resolution is approved. The purchase cost of treasury shares and the proceeds from their sale are recognized directly in equity, with no impact on the income statement.

Treasury shares
When the Group's Parent Company and its subsidiaries purchase Company shares, the consideration paid is deducted from the shareholders' equity attributable to the Company's shareholders, until the shares are retired or sold. No gain or loss is recognized in the income statement when treasury shares are bought, sold, issued or retired. When these shares are subsequently reissued, the consideration received, net of taxes, is added to the shareholders' equity attributable to the Company's shareholders.

Employee benefits

Pension plans

Defined-benefit pension plans, which include the severance benefits payable to employees pursuant to Article 2120 of the Italian Civil Code, are based on the length of the working lives of employees and the wages earned by employees over a predetermined period of service. The liability that represents the benefits owed to employees under defined-benefit plans is recognized at its actuarial value.
The recognition of defined-benefit plans requires the use of actuarial techniques to estimate the amount of the benefits accrued by employees in exchange for the work performed during the current year and in previous years. The resulting benefit must then be discounted to determine the present value of the Group's obligation. The determination of the present value of the Group's obligation is made by an independent actuary, using the projected unit credit method. This method treats each period of service provided by an employee to a company as an individual accrual unit. The actuarial liability must be quantified exclusively on the basis of the seniority achieved as of the date of valuation. Consequently, the total liability is prorated based on a ratio between the years of service accrued as of the valuation reference date and the total seniority that an employee is expected to have achieved when the benefit is paid. Moreover, this method requires taking into account future wage increases due for any reason (inflation, career moves, labor contract renewals, etc.) until the end of the employment relationship.
The cost of defined-benefit plans accrued during the year, which is reflected in the income statement as part of labor costs and financial expense, is equal to the sum of the average present value of the accrued benefits of current employees for service provided during the year and their annual vested interest in the present value of the Group's obligations at the beginning of the year, computed by discounting future outlays by the same rate as that used to estimate the Group's liability at the end of the previous year. The annual discount rate used for these computations was the same as the year-end market rate for zero-coupon bonds with a maturity equal to the average residual duration of the liability. Actuarial gains and losses reflecting changes in the actuarial assumptions or experience adjustments are credited or charged to equity in the statement of comprehensive income for the period in which they arise. If the amount is recorded on the balance sheet as an asset, it is limited to the present value of economic benefits available in the form of refunds or reductions in future contributions to the plan.
On January 1, 2007, the Italian Budget Law and the related implementation decrees introduced significant changes in the rules that govern the Provision for employee severance indemnities ("PESI") of companies whose registered office is located in Italy. These changes include the right of employees to decide the destination of future accrued PESI amounts. Specifically, employees can direct new PESI flows to selected pension investments or keep them with the employer company, which will then deposit its PESI contribution in a treasury account at the Italian social security administration (abbreviated as INPS in Italian). In light of these changes, the PESI is now viewed as a defined-benefit plan only insofar as the amounts vested before January 1, 2007 are concerned and as a defined-contribution plan after January 1, 2007. Accounting effects resulting from the law application are described in the notes of the Report.

Equity-based compensation plans

Group companies grant to Group executives and middle managers additional benefits through equity-based plans (stock options). In accordance with IFRS 2 "Share-based Payment," stock options awarded to employees are measured at their fair value on the grant date, in accordance with models that take into account factors and data (option exercise price, duration of the option, current price of the underlying shares, expected share price volatility, expected dividends and interest rate for zero-risk investments over the life of the option) applicable on the grant date.

If the option becomes exercisable after a certain period and/or certain performance requirements are met (vesting period), the total value of the option is prorated over the vesting period and recognized in earnings, with the offsetting entry posted to a specific shareholders' equity account called Other Reserves.
Because stock options are equity instruments, as defined by IFRS 2, the fair value of each option determined on the grant date is not adjusted at the end of each year unless changes occur in the stock options terms and conditions to increase their fair value in favor of beneficiaries. The estimate of the number of options that will reach maturity (and hence the number of employees who will be entitled to exercise their options) is adjusted. The result of any change in estimate is posted as an increase to or a reduction of the abovementioned shareholders' equity account, with the offsetting entry reflected in the income statement. At the end of the exercise period, the exercised options are reflected in the Company's share capital by adding an amount obtained by multiplying the number of shares issued by the par value of each share. The portion of "Other reserves" that is attributable to plan costs previously recognized in earnings and the amount obtained by multiplying the number of shares issued by the difference between the exercise price and the par value per share is posted to a shareholders' equity reserve.

Provisions for risks and charges

Provisions for risks and charges include amounts set aside to fund current obligations (statutory or implied) that arise from a past event, the performance of which will probably require the use of resources and the amount of which can be reasonably estimated. When the use of financial resources is expected to extend for a period of more than one year, the corresponding obligation should be recognized at its present value by discounting expected future cash flows at a rate that takes into account the cost of money and the risks inherent in the liability.

The provisions are updated on each financial statement date to reflect best current estimates. The impact of any changes in estimates is reflected in the income statement for the period during which the change occurred.

Risks that are merely reasonably possible of producing a liability are disclosed in the Notes to the financial statements, but no amount is recorded in the financial statements.

Income taxes

Income taxes include both current and deferred taxes.

Current taxes are computed on the basis of the estimated taxable income for the year in accordance with the tax laws in force in the countries in which the Group operates.

Taxable income is different from reported income because it does not include positive and negative components that will be taxable or deductible in subsequent years and those items that will never be taxable or deductible. The liability for current taxes is computed using the tax rates in force on the date of the financial statements or the tax rates that will be in force when the asset is realized or the liability settled, if they are known.

Deferred-tax assets and liabilities are the taxes that the Group expects to pay or recover on temporary differences between the values attributed to assets and liabilities for reporting purposes and the corresponding tax-related values used to compute taxable income, computed in accordance with the balance sheet liability method. As a rule, deferred-tax liabilities are recognized for all taxable temporary differences, while deferred-tax assets are recognized only insofar as the Group deems it probable that, in the future, it will generate sufficient taxable income to use the deductible temporary differences. The tax benefit produced by carrying forward tax losses is recognized if and to the extent that it is probable that, in the future, the Group will have sufficient taxable income to offset these losses. Deferred-tax liabilities or assets are also determined for consolidation adjustments.

The carrying value of deferred-tax assets is updated on each financial statement date and reduced when the existence of future taxable income sufficient to recover all or part of these assets is no longer probable.

Deferred taxes are computed at the tax rate in force on the closing date of the financial statements or at the tax rate that will be in force when the asset is realized or the liability settled. Deferred taxes are charged directly to income, except for those attributable to items recognized directly in equity, in which case the corresponding deferred taxes are also recognized in equity.

Financial liabilities

Financial liabilities consist of loans payable, including advances for the factoring of receivables, and other financial liabilities, convertible and regular bonds, including derivatives.
Initially, financial liabilities other than derivatives are recognized at their fair value less transaction costs. Subsequently, they are valued at their amortized costs, which is their initial amount, less any principal repayments, adjusted upward or downward to reflect the amortization (by the effective interest rate method) of any differences between the initial value and the value at maturity.

As regards lease liabilities, consistently with the IFRS 16 standard, as lessee, recognizes separately from financial liabilities the lease liabilities measuring them at the present value of the payments due for leasing not yet settled at the lease commencement date. The payments due include the fixed payments (including the fixed payments in substance), net of any lease incentives to be received, the variable lease payments which depend on an index or a rate and the amounts expected to be paid as guarantee on the residual value. The lease payments include also the exercise price of a purchase option where it is reasonably certain that this option shall be exercised by the Company.

Convertible bonds are classified, at issuance, as “hybrid” or “compound” debt instruments. When the bond issue is considered a compound instrument since its placement, it is split into a debt and, residually, an equity component, as provided for in IAS 32 – Financial instruments: Presentation.
In the case of a “compound” instrument, the debt portion represents the fair value of a traditional bond that does not entail conversion right or option while the equity portion, which is determined on a residual basis in relation to the total amount of the loan, represents the value of the bond conversion option into DiaSorin S.p.A. shares. Transactions costs are proportionally allocated to the debt and equity portions.

Financial Derivatives

Consistent with the provisions of IFRS 9, derivatives qualify for hedge accounting only when (i) there is formal designation and documentation of the hedging relationship, including company’s objective and strategy in risk management at the inception of the hedge and (ii) the hedge is expected to be effective.
When financial instruments qualify for hedge accounting, the following accounting treatments are applied:

- Fair value hedges: if a derivative is designated as hedging the exposure to changes in fair value of a recognized asset or liability attributable to a specific risk that could have an impact on the income statement, the gains or losses derived from subsequent fair value measurements of the hedge are recognized in earnings. Gains or losses on the hedged item that are attributable to the hedged risk change the carrying amount of the hedged items and are also recognized in earnings;

- Cash flow hedges: if a derivative is designated as a hedging of the exposure to variability in the future cash flows attributed to a recognized asset or liability or to a highly probable future transaction that could have an impact on the income statement, the effective portion of the gain or loss stemming from changes in the fair value of the hedge is recognized in equity. The effective portion of any gain or loss is reclassified from shareholders' equity to the income statement in the same period in which the hedged transaction is recognized. Any gains or losses associated with a hedge that has become ineffective are immediately recognized in earnings. If a hedge or a hedging transaction is closed out but the hedged transaction has not yet been executed, all accumulated gains and losses, which until then were recognized in equity, are recognized in the income statement when the corresponding transaction is executed. If the occurrence of the hedged transaction is no longer viewed as probable, unrealized gains and losses suspended in equity are immediately transferred to the income statement.

The hedge effectiveness is determined at the inception of the hedge relationship, through periodic assessments of the prospective hedge effectiveness to ensure the existence of an economic relationship between the hedged item and the hedging instrument.

When hedge accounting cannot be applied, all gains and losses generated by subsequent fair value measurements of derivatives are immediately recognized in earnings.

The fair value of financial instruments that are listed on an active market is based on market prices at the balance sheet date. The fair value of financial instruments that are not are listed on an active market is determined using valuation techniques based on a series of methods and assumptions, and market information at the balance sheet date.
The following provides a classification of financial instruments recorded at fair value in a three-level hierarchy:

- Level 1: Fair value is determined on the basis of (unadjusted) quoted prices in active markets for identical assets or liabilities;
- Level 2: Fair value is determined using valuation techniques based on observable inputs on active market;
- Level 3: Fair value is determined using valuation techniques based on market unobservable inputs.

Revenue recognition

Revenues are recognized when control over assets sold to end customers or distributors has been transferred and related contractual obligations have been met. Revenues are measured as the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services (net of discounts, allowances and return).

Sales revenues
Sales to end customers are based on a business model which provides for reagents supply and the provision of a diagnostic instrument along with its technical support (identified as a single performance obligation). Sales revenues are recognized when control over diagnostic kits is transferred to the end customer ("at point in time").
Sales to distributors, including foreign branches, which provide for separate sale of kits/reagents and/or instruments are identified as separate performance obligation since kits, reagents and instruments will

be combined and configured by the distributor and sold to the end customer. The relevant revenues are recognized when control over instruments and/or reagents is transferred to their distributor.

Service revenues
Service revenues are generated by separate contracts for technical support.
These revenues are recognized in the income statement based on the percentage of completion of each transaction and only when the outcome of the transaction can be estimated reliably.

Royalties
The Company collects royalties from third parties for the use of patents required to manufacture specific products. Revenues from royalties, which are generally based on the sales revenues generated by patent users, are recognized when underlying sales transactions are concluded.

Interest income
Interest income is recognized in the income statement at the effective yield rate. It is earned mainly on interests on arrears.

Dividends

Dividends received from investee companies are recognized in the income statement when the right to receive payment is established and only if they are derived from the distribution of earnings generated subsequent to the acquisition of the investee company.

Dividend distributions are recognized when the right of the Company's shareholders to receive payment is established, which generally occurs when the Shareholders' Meeting approves the dividend distribution resolution. The dividend distribution is recognized as a liability in the financial statements for the period during which the dividend distribution is approved by the Shareholders' Meeting.

Government grants

Government grants are recognized when there is a reasonable certainty that they will be collected. This occurs when the distributing public entity approves a formal resolution to that effect.
Grants received in connection with the purchase of property, plant and equipment or the capitalization of development costs are recognized among non-current liabilities and recognized in the income statement in equal instalments computed on the basis of the useful lives of the assets for which the grant was received.

Grants received as an interest subsidy upon the occurrence of specific events are recognized in the income statement at the present value of the benefit, when there is a formal commitment to grant the benefit by the distributing public entity. The corresponding liabilities are recognized at their fair value on the date the grant was received. Interest on this liability is recognized in the income statement in accordance with the amortized cost method.

Cost of sales
Cost of sales represents the cost incurred to produce or purchase the goods and merchandise sold by the Company. It includes all of the costs incurred to purchase and process materials and the overhead directly attributable to production.
Overhead includes depreciation of the property, plant and equipment and the amortization of the intangible assets used for production purposes, as well as inventory write-downs. Cost of sales also includes freight paid to deliver products to customers.

Research and development costs

This item includes research and development costs that cannot be capitalized and the amortization of capitalized development costs.

Interest expense

Interest expense is recognized in accordance with the accrual principles, based on the financed amount and the applicable effective interest rate.

Material extraordinary events and transactions – Atypical and/or unusual transactions

Consistent with Consob Communication No. DEM/6064293 of July 28, 2006, the notes to the financial statements provide information about the impact of material extraordinary events and transactions and/or atypical and/or unusual transactions on the Company's balance sheet, financial position and operating performance.

Related parties

Consistent with Consob Communication No. DEM/6064293 of July 28, 2006, the notes to the financial statements provide information about the impact of related-party transactions on the Company's balance sheet, financial position and income statement.

NEW ACCOUNTING STANDARDS

Below are the international accounting standards, interpretations and amendments to existing accounting standards and interpretations or specific provisions contained in the standards and interpretations approved by IASB, which have been endorsed or have not been endorsed for adoption in Europe as of the date on which this document is approved:

New documents issued by IASB and endorsed by the EU to be compulsorily adopted starting from the financial statements of the financial years starting from January 1, 2021.

Title of the document	Date of issue	Date of entry into force	Endorsement date	Regulation EU and date of publication
Interest rate benchmark reform — phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).	August 2020	1 January 2021	13 January 2021	(EU) 2021/25 14 January 2021
COVID-19- related rent concessions beyond 30 June2021 (Amendments to IFRS 16)	March 2021	1 April 2021	30 August 2021	(EU) 2021/1421 31 August 2021
Extension of the temporary exemption from applying IFRS 9 (Amendments to IFRS 4)	June 2020	1 January 2021	15 December 2020	(EU) 2020/2097 16 December 2020

IAS/IFRS and related IFRIC interpretations applicable to financial statements for financial years beginning after 1 January 2021.

Title of the document	Date of issue	Date of entry into force	Date of endorsement	EU Regulation and date of publication
Improvements to IFRS (2018–2020 cycle) [Amendments to IFRS 1, to IFRS 9, to IFRS 16 and to IAS 41]	May 2020	1 January 2022	28 June 2021	(UE) 2021/1080 2 July 2021

Property, plant and equipment – Proceeds before intended use (Amendments to IAS 16)	May 2020	1 January 2022	28 June 2021	(UE) 2021/1080 2 July 2021
Onerous contracts – Cost of fulfilling a contract (Amendments to IAS 37)	May 2020	1 January 2022	28 June 2021	(UE) 2021/1080 2 July 2021
Reference to the conceptual framework (Amendments to IFRS 3)	May 2020	1 January 2022	28 June 2021	(UE) 2021/1080 2 July 2021
IFRS 17 – Insurance contracts (including amendments published in June 2020)	May 2017 June 2020	1 January 2023	19 November 2021	(UE) 2021/2036 23 November 2021

IAS/IFRS and related IFRIC interpretations applicable to financial statements for financial years beginning after 1 January 2021. Documents NOT yet endorsed by the EU at 31 December 2021

It should be noted that these documents will be applicable only after their endorsement by the EU.

Title of the document	Date of issue by the IASB	Date of entry into force of the IASB document	Date of EU's expected endorsement
Standards			
IFRS 14 Regulatory Deferral Accounts	January 2014	1 January 2016	Endorsement suspended, pending the new accounting standard on "rate-regulated activities".
Amendments			
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	September 2014	Deferred until the completion of the IASB project on equity method	Endorsement suspended, pending the conclusion of the IASB project on the equity method
Classification of Liabilities as Current or Non-current (Amendments to IAS 1), including subsequent amendment issued in July 2020 [10]	January 2020 July 2020	1 January 2023	TBD
Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2)	February 2021	1 January 2023	TBD
Definition of Accounting Estimates (Amendments to IAS 8)	February 2021	1 January 2023	TBD
Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)	May 2021	1 January 2023	TBD
Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17)	December 2021	1 January 2023	TBD

The Company will adopt these new standards, amendments and interpretations on the basis of their relevant effective dates and when endorsed by the European Union. An assessment is being carried out to analyze the potential effects of introducing these amendments in the consolidated financial statements.

New accounting standards endorsed and adopted by the Company
This note presents the impact of the adoption of amendments to the accounting standards - applied from 1 January 2021 - on the consolidated financial statements to the extent that they differ from those applied in the previous periods.
It should be noted that these amendments had not material impact on the Consolidated Financial Statements at December 31, 2021.

The IASB issued "*Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform*", which amends IFRS 9 - *Financial Instruments* and IAS 39 - *Financial Instruments: Recognition and Measurement* and IFRS 7 - *Financial Instruments: Disclosures*. Specifically, the amendment modifies

[10] The IASB is carrying out a project to amend the requirements of the document published in 2020 and postpone its entry into force to1 January 2024. The Exposure Draft was published on 19 November 2021.

some specific hedge accounting requirements, providing for temporary dispensations, to provide relief from potential effects of the uncertainty caused by the IBOR reform (still in progress) on future cash flows in the period preceding its completion. The amendment also requires companies to provide further information in the financial statements regarding their hedge relationships that are directly affected by the uncertainties generated by the reform to which the aforementioned dispensations apply. The amendments had no material impact on the consolidated financial statements.

The IASB issued the amendment to IFRS 16. The amendment allows a lessee not to apply the requirements in IFRS 16 on the accounting effects of contractual changes for lease reductions granted by lessors that are a direct consequence of the COVID-19 pandemic. The amendment introduces a practical expedient whereby a lessee may choose not to assess whether the reduction in lease payments represents a contractual change. A lessee who chooses to use this expedient accounts for these reductions as if they were not contractual changes for the purpose of IFRS 16.
Contractual changes had to be applied until June 30, 2021, but since the impact of the Covid-19 is still continuing, on March 31, 2021, the IASB extended the application period of the practical expedient until June 30, 2022.
Amendments are applicable to financial years beginning on or after April 1, 2021.

Accounting principles issued but not yet endorsed
The Company is assessing any possible impacts resulting from the introduction of amendments to standards and interpretations that at the date of the Report had already been issued but not yet effective, although such amendments are not expected to have a material impact on the consolidated financial statements. The Company intends to adopt these standards and interpretations, if applicable, once they are effective.
Amendments to *IFRS 3, IAS 16, IAS 37 and IAS 1* are as follows:
<u>Amendments to *IFRS 3, IAS 16 and to IAS 37*</u>
On May 14, 2020, the IASB published the following amendments:
Amendments to IFRS 3 - *Business Combinations*: the amendments update the IFRS 3 reference to the Conceptual Framework without changing the provision of the IFRS 3 accounting standard.
Amendments to IAS 16 - *Property, Plant and Equipment*: the amendment prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.
Amendments to IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets*: the amendments clarify that in assessing whether a contract is onerous, all costs that relate directly to the contract should be included. Therefore, the assessment of a probable onerous contract includes either incremental cost (for example direct labor material) or all costs the company cannot avoid as they relate directly to fulfilling contract (for example, the share of staff expenditure and depreciation of equipment used in fulfilling the contract).
Annual Improvements 2018-2020: amendments applied to IFRS 1 - *First-time Adoption of International Financial Reporting Standards*, to IFRS 9 - *Financial Instruments*, to IAS 41 - *Agriculture* and to *Illustrative Examples* of the IFRS 16 - *Leases*.

The amendments will come into effect on January 1, 2022. The Management does not expect the adoption of these amendments to have a material effect on the Group's consolidated financial statements.

Amendments and new standards, which are not yet endorsed, apply to financial years beginning on or after 1 January 2023. Early application is permitted, provided that the entity reports it.

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ANALYSIS OF FINANCIAL RISKS

The table below lists material assets and liabilities by category, in accordance with the requirements of IFRS 7:

		12/31/2021			12/31/2020	
(€ thousands)	Notes	**Carrying value**	**Assets at amortized cost**	**Carrying value**	**Assets at amortized cost**	**Assets at fair value**
Other non-current financial assets	(16)	42,206	42,206	41,826	41,826	-
Total non- current financial assets		***42,206***	***42,206***	***41,826***	***41,826***	**-**
Trade receivables	(15)	48,121	48,121	48,099	48,099	-
Trade receivable from Group companies	(15)	108,089	108,089	86,937	86,937	-
Other current assets	(17)	9,755	9,755	2,016	2,016	-
Financial derivatives	(20)	-	-	126	-	126
Intercompany financial receivables	(16)	6,600	6,600	6,013	6,013	-
Cash and cash equivalents	(18)	146,446	146,446	134,304	134,304	-
Total current financial assets		***319,011***	***319,011***	***277,495***	***277,369***	***126***
Total financial assets		**361,217**	**361,217**	**319,321**	**319,195**	**126**

		12/31/2021			12/31/2020		
(€ thousands)	Notes	**Carrying value**	**Liabilities at amortized cost**	**Liabilities at fair value**	**Carrying value**	**Liabilities at amortized cost**	**Liabilities at fair value**
Non-current financial liabilities	(20)	439,520	439,520				
Financial lease liabilities (IFRS 16)	(20)	11,005	11,005	-	10,312	10,312	-
Due for Put/Call option rights	(22)	1,334	-	1,334	376	-	376
Total non-current financial liabilities		***451,859***	***450,525***	***1,334***	***10,688***	***10,312***	***376***
Trade payables	(23)	47,166	47,166	-	41,325	41,325	-
Trade payables due to Group companies	(23)	32,545	32,545	-	24,061	24,061	-
Financial payables due to Group companies	(20)	87,538	87,538	-	70,735	70,735	-
Financial lease liabilities (IFRS 16)	(20)	1,231	1,231	-	1,036	1,036	-
Derivative financial instruments	(20)	1,037	-	1,037	-	-	-
Total current financial liabilities		***169,517***	***168,480***	***1,037***	***137,157***	***137,157***	**-**
Total financial liabilities		**621,376**	**619,005**	**2,371**	**147,845**	**147,469**	**376**

With regard to the above, the classification of financial assets and liabilities measured at fair value in the statement of financial position, according to the fair value hierarchy, concerned derivative financial instruments at December 31, 2021. These instruments are classified at level 2 and booked under other current financial liabilities amounting to € 1,037 thousand. The change in the fair value of these instruments is recognized in earnings.

The duration of financial liabilities for leasing contracts is provided in Note 20. Interest expense on leases amounted to € 510 thousand at December 31, 2021, as against € 474 thousand at December 31, 2020.
Non-current financial liabilities and assets are settled or valued at market rates and it is therefore considered that the fair value is in line with the current book values.

Risks related to fluctuations in foreign exchange and interest rate

The Group's Parent Company is exposed to the market risk caused by fluctuations in foreign exchange rates because it operates at the international level and executes transactions involving different foreign exchange and interest rates. A fluctuation of 5 percentage points in foreign currencies other that the euro would have an impact on the income statement equal to about 0.1 million euros.
With regard to the trend in interest rates, a fluctuation of 2 percentage points would have no significant impact on the income statement since interests do not accrue on the convertible bond issued in 2021.

In 2021, in order to mitigate the foreign exchange risk related to the currency fluctuations, the Group's Parent Company executed currency forward sales requiring the recognition of a negative fair value of € 1,037 thousand at December 31, 2021 (positive fair value of € 126 thousand at December 31, 2020).

Credit risk

The Parent Company's receivables present a low level of risk since most of these receivables are owed by public institutions for which the risk of non-collection is not significant. An analysis of trade receivables shows that about 70% is not overdue.
Past due receivables are covered by an allowance for doubtful accounts amounting to € 4,516 thousand. In addition, in order to bridge the gap between contractual payment terms and actual collection terms, the Company assigns its receivables to factors without recourse.

A breakdown of trade receivables and the related allowance for doubtful account by time limit is provided below:

Type	**Amount not yet due**	**0 - 90**	**91 - 180**	**181 - 360**	**Due for more than 360**	**Past-due amount**	**Total receivables**
Trade receivables	38,245	6,728	1,053	2,218	4,393	14,393	52,637
Expected loss rate	*0%*	*0%*	*0%*	*-42%*	*-81%*	*-31%*	*-9%*
Allowance for doubtful account	-	(18)	(2)	(939)	(3,558)	(4,516)	(4,516)
Net amount	**38,245**	**6,710**	**1,052**	**1,280**	**835**	**9,876**	**48,121**

Liquidity risk

A prudent cash management strategy includes maintaining sufficient cash or readily available assets and credit lines, to meet immediate liquidity needs. Cash flows, funding requirements and liquidity levels are monitored centrally to ensure promptly and effectively the availability of financial resources and invest appropriately any excess liquidity.
Management believes that the funds and credit lines currently available, when combined with the resources generated by operating and financing activities, will enable the Group's Parent Company to meet the obligations resulting from its capital investment programs, working capital requirements and the need to repay its indebtedness upon maturity.

At December 31, 2021, cash and cash equivalent amounted to € 146,446 thousand while debt instruments are represented by the convertible bond for an amount equal to € 439,520 thousand.

A breakdown of the net consolidated financial debt is as follows:

	(€ thousands	12/31/2021	12/31/2020
A	Cash on hand	146,446	134,304
B	Cash equivalents	-	-
C	Other current financial assets	6,600	6,139
D	**Cash (A+B+C)**	**153,046**	**140,443**
E	Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(89,806)	(71,771)
F	Current portion of non-current financial debt	-	-
G	**Current financial debt (E+F)**	**(89,806)**	**(71,771)**
H	**Net current financial debt (G-D)**	**63,240**	**68,672**
I	Non-current financial debt (excluding the current portion and debt instruments)	(11,005)	(10,312)
J	Debt instruments	(439,520)	-
K	Trade payables and other non-current debts	-	-
L	**Non-current financial debt (I+J+K)**	**(450,525)**	**(10,312)**
M	**Total financial debt (H+L)**	**(387,285)**	**58,360**

It should be noted that other assets and current financial debt, for an amount of € 80,938 thousand, in 2021 (€ 64,596) refer to financial payables owed to Group companies.

ITEMS THAT INVOLVE THE USE OF SIGNIFICANT ASSUMPTIONS AND ESTIMATES

The preparation of financial statements in accordance with the IFRS requires the use of estimates for some material amounts. In addition, management is required to make judgments and assumptions in relation to accounting policies. The process of drafting financial statements involves the use of estimates and assumptions about future events.
These estimates represent the best assessment possible on the date of the financial statements. However, because of their very nature, they could produce material changes in balance sheet amounts in future years.
Estimates are updated by the Management on an on-going basis and are based on past experience, all other known factors and the occurrence of future events that are reasonably expected to take place, particularly with regard to the macro-economic scenario marked by great uncertainty.
The main items affected by estimates are reviewed below:

Allowance for doubtful accounts

The Allowance for doubtful accounts reflects management's estimates about losses that could be incurred in the portfolio of accounts receivable from end customers and from the indirect distribution network (independent distributors). The allowance for doubtful accounts' estimate is based on the expected credit loss 'ECL' model calculated as the difference between the contractual cash flows due and the cash flows the Group expects to receive, determined on the basis of past experience for similar receivables, the current and historical past due percentages, losses and collections, and the careful monitoring of credit quality.

Provision for inventory write-downs

The Provision for inventory write-downs reflects management's estimates of the Company's loss expectations, determined on the basis of past experience and historical and projected trends in the market for in vitro diagnostics.

Useful life

The cost of tangible and intangible assets is amortized and depreciated according to the straight-line basis over the estimated useful life of the asset. The useful life is determined by the directors when such assets are purchased and is based on historical experience of similar assets, market conditions and expectations regarding future events that may have an impact, including new technologies. Therefore, the actual useful life may differ from the estimated useful life.
Development costs that meet the requirements for capitalization are recognized as intangible assets.

Impairment of non-current assets

Non-current assets include property, plant and equipment, intangible assets (including goodwill), equity investments and other financial assets. Management reviews the carrying amounts of non-current assets held and in use and available-for-sale assets on a regular basis and whenever events or circumstances make such review necessary. The recoverable value of property, plant and equipment and intangible assets (including goodwill) is verified using criteria that are consistent with the requirements of IAS 36, which are explained in the section of these Notes entitled "Impairment of assets."

Pension plans and other post-employment benefits

Management uses different statistical assumptions and evaluation factors to project future events and compute the costs, liabilities and assets related to these plans. Assumptions are made with regard to the discount rate, the expected yield of plan assets, the rates of future increases in employee compensation and trends in health care costs. The actuaries who provide the Company with consulting support also use subjective parameters, such as employee mortality and termination rates.

Stock option plans

The measurement of stock option plans at fair value requires the formulation of specific assumptions, the most significant of which include the following:

- the value of the underlying shares on the valuation date;
- the expected volatility of the price/value of the underlying shares;
- the dividend yield of the underlying shares.

Contingent liabilities

The Group's Parent Company is a party to legal and tax disputes. Given the uncertainty inherent in such situations, it is difficult to predict with certainty any expense that may result from these disputes. In the normal course of business, management relies on the support of its legal counsel and of experts on legal and taxation issues. The Group's Parent Company recognizes a liability in connection with these disputes when it believes that the occurrence of a cash outlay is probable and the amount of the resulting loss can be reasonably estimated. When a cash outlay becomes probable, but the amount cannot be determined, this fact is disclosed in the notes to the financial statements.

Convertible Bond

As regards items that involve the use of significant assumptions and estimates, prepared for the consolidated annual financial statements at December 31, 2021, it should be noted the convertible bond valuation. Since its placement, the Bond Issue convertible into ordinary shares amounting to € 500 million due 2028 (Senior unsecured equity-linked bond) issued by DiaSorin S.p.A. on April 28, 2021 has been considered a compound instrument as it is split into a debt and, residually, an equity component, as provided for in IAS 32 – Financial instruments: Presentation.

The equity instrument represents the value of the bond conversion option into DiaSorin S.p.A. shares.

Derivatives

The fair value of financial instruments is based on market quotations or, where unavailable, applying suitable evaluation techniques that use updated financial variables used by market investors and, where possible, taking into account the prices of recent similar transactions on financial instruments. Derivatives are classified as hedging instruments when the link between the derivative and the hedged item is formally documented and, subject to periodic checks, the effectiveness of the hedge is high. Compliance with the requirements defined in IFRS9 to qualify for hedge accounting is verified periodically. Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized in profit and loss.

Climate change

Given the business model in which DiaSorin operates, the Group is not significantly exposed to environmental risks, especially in relation to Climate Change.

DESCRIPTION AND MAIN CHANGES

Income statement

In the consolidated income statement, costs are classified by function. This income statement format, also known as "cost of sales" income statement, is more representative of the Group's business than a presentation with expenses classified by nature.

Insofar as a classification of expenses by nature is concerned, depreciation and amortization totaled € 23,696 thousand (€ 22,796 thousand in 2020), broken down as follows:

(€ thousands)	**2021**	**2020**
Depreciation of property, plant and equipment	13,974	13,180
Amortization of intangibles	9,722	9,616
Total	**23,696**	**22,796**

Depreciation of property, plant and equipment includes € 4,778 thousand attributable to equipment held by customers (€ 4,326 thousand in 2020), which in the income statement by destination is part of the cost of sales. An additional € 5,972 thousand representing depreciation of plant and machinery and manufacturing and distribution equipment is included among production expenses.

The amortization of intangible assets is recognized mainly as part of sales and marketing expenses (€ 2,723 thousand) and research and development costs (€ 5,187 thousand). Amortization of intangibles was allocated as follows:

(€ thousands)	**2021**	**2020**
Cost of sales	683	641
Sales and marketing expenses	2,723	2,854
Research and development costs	5,187	5,166
General and administrative expenses	1,129	955
Total	**9,722**	**9,616**

Labor costs amounted to € 71,522 thousand (€ 66,485 thousand in 2020).
A breakdown is as follows:

(€ thousands)	**2021**	**2020**
Wages and salaries	49,154	46,303
Social security contributions	13,832	13,246
Severance indemnities paid	4,051	3,557
Cost of stock option plan	4,020	2,883
Other labor costs	465	496
Total	**71,522**	**66,485**

The table below shows the average number of employees of DiaSorin S.p.A. in each category:

	2021	**2020**
Factory staff	77	73
Office staff	658	637
Executives	54	48
Total	**789**	**758**

1. Net revenues

In 2021, net revenues, which are generated mainly through the sale of diagnostic kits, totaled € 583,093 thousand, up 23.8% compared to 2020. This item includes € 1,358 thousand for technical support (€ 1,604 thousand in 2020). A breakdown of revenues by geographic region is provided below:

(€ thousands)	**2021**	**2020**	**%Change**
Revenues from third customers – Italy	**157,034**	**124,194**	**26.4%**
Revenues from third customers – International	**71,724**	**57,849**	**24.0%**
Europe and Africa	22,413	16,692	34.3%
Asia Pacific	37,940	32,715	16.0%
USA and Canada	-	-	n.a.

Latin America	11,371	8,441	34.7%
Intercompany revenues	**354,335**	**288,976**	**22.6%**
Europe and Africa	202,368	165,979	21.9%
Asia Pacific	47,334	31,540	50.1%
USA and Canada	95,976	81,194	18.2%
Latin America	8,657	10,263	-15.7%
Total	**583,093**	**471,019**	**23.8%**

Revenues from sales to public institutions and universities amounted to € 132,444 thousand (€ 104,212 thousand in 2020).

2. Cost of sales

In 2021, cost of sales amounted to € 304,025 thousand (of which € 115,638 thousand with related parties), as against € 241,931 thousand in 2020. Cost of sales includes, in addition to costs for diagnostic kits production, payment of royalties amounting to € 18,412 thousand (€ 9,207 thousand in 2020), distribution of products to end costumers equal to € 4,058 thousand (€ 3,348 thousand in 2020). An amount of € 4,778 thousand is related to depreciation of equipment held by customers (€ 4,326 thousand in 2020).

3. Sales and marketing expenses

Sales and marketing expenses amounted to € 37,359 thousand, as against € 33,101 thousand in 2020. This item consists mainly of marketing costs incurred to promote and distribute DiaSorin products, costs attributable to the direct and indirect sales force and the cost of the technical support offered together with the Company-owned equipment provided to customers under gratuitous loan contracts.

4. Research and development costs

In 2021, research and development costs were € 24,066 thousand (€ 27,768 thousand in 2020) and include all of the research and development outlays that were not capitalized, including the costs incurred to register the products offered for sale and meet quality requirements and the amortization of capitalized development costs equal to € 3,183 thousand (€ 2,959 thousand in 2020).
In 2021, the Group's Parent Company capitalized development costs amounting to € 11,946 thousand, as against € 8,362 thousand in 2020.

5. General and administrative expenses

General and administrative expenses, which include expenses incurred for corporate management activities, Group administration, finance and control, information technology, corporate organization and insurance, amounted to € 42,146 thousand (€ 36,769 thousand in 2020). The total amount includes € 8,543 thousand from related-party transactions (€ 7,690 thousand in 2020). The remuneration of the Board of Directors, excluding the Company's employees, amounted to € 995 thousand (€ 995 thousand in 2020). The remuneration of competence of the Statutory Auditors amounted to € 100 thousand (€ 100 thousand in 2020).

6. Other operating income (expenses)

The item includes income and expenses from operations that cannot be allocated to specific functional areas (such as gains and losses on asset sales, insurance settlements, reversals of unused provisions, additions to provisions for risks, incidental taxes and fees).

A breakdown of other operating income and expenses is as follows:

(€ thousands)	**2021**	**2020**
Intra-Group services	5,671	2,843
Trade-related foreign exchange losses and gains	(843)	(17)
Tax charges	(667)	(193)
Additions to the allowances for doubtful accounts and provisions for risks and charges	(1,886)	(3,104)
Other operating (expense) /income	(526)	(302)
Non-recurring charges	(9,867)	(711)
Other operating (expense) and income	**(8,118)**	**(1,484)**

Other operating expense and income include increased additions to the allowances for doubtful accounts, amounting to € 386 thousand, as a consequence of a slow-down in payments by third-party distributors.
Non-recurring charges, amounting to € 9,867 thousand, are related to costs incurred in 2021 for the Luminex Group acquisition and integration.

7. Financial income (expenses)

In 2021, the balance of financial income and expense was positive by € 13,018 thousand, as against € 62,533 thousand in 2020, breakdown as follows:

(€ thousands)	**2021**	**2020**
Interest and other financial expenses	(10,040)	(2,675)
- amount with related parties	*(2)*	*(11)*
Interest and other financial income	1,162	1,220
- amount with related parties	*1,108*	*1,082*
Dividends received from subsidiaries	11,934	85,399
Write-downs and revaluation of equity investments in subsidiaries	(97)	(20,332)
Foreign exchange differences and financial instruments	10,059	(1,079)
Net financial income and expense	**13,018**	**62,533**

Financial expenses include € 6.018 thousand representing the amortized cost of the convertible bond issued by Group’s Parent Company

Fees on factoring transactions amounted to € 474 thousand (€ 486 thousand in 2020), as a consequence of increased revenues in the domestic market and a decrease in the collection of interests accrued on past-due position, amounting to € 30 thousand (€ 58 thousand in 2020).

In 2021, net interest income from Group companies equal to € 1,106 thousand (€ 1,071 thousand in 2020) derived from loans provided to subsidiaries for an amount of € 1,076 thousand.

Dividends received from subsidiaries decreased to € 11,934 thousand in 2021 from € 85,399 thousand in 2020, broken down as follows:

(€ thousands)	**2021**	**2020**
Diasorin Inc. (USA)	-	42,287

Diasorin South Africa (PTY) Ltd	-	1,076
Diasorin Deutschland GmbH	2,750	4,750
Diasorin S.A/N.V. (Belgium)	2,800	2,600
Diasorin Ltd (Israel)	1,000	300
Diasorin Ltd (China)	-	3,831
Diasorin S.A. (France)	1,300	1,800
Diasorin Austria GmbH (Austria)	1,300	450
Diasorin Ltd (UK)	584	1,412
Diasorin AB (Sweden)	-	656
DiaSorin Switzerland AG	1,812	237
DiaSorin Diagnostics Ireland Ltd	388	26,000
Total dividends received	**11,934**	**85,399**

Foreign exchange differences on other financial balances, which were positive by € 11,502 thousand (negative and equal to € 1,079 thousand in 2020), include positive € 9,443 thousand deriving from the fair value measurement of the deal contingent fx forward that was entered into along with the Luminex Group acquisition.

8. Income taxes

In 2021, income taxes were € 41,549 thousand, as against € 28,282 thousand in 2020

(€ thousands)	**2021**	**2020**
Current income taxes:		
- Local taxes (IRAP)	7,592	3,714
- Corporate income taxes (IRES)	33,960	24,054
Other income taxes (non-deductible taxes/ taxes of previous years)	58	1,572
Deferred taxes	(61)	(1,058)
Including IRAP amount	*2*	*(119)*
Total income taxes	**41,549**	**28,282**

A reconciliation of the theoretical tax rate to the effective tax rate, without taking into account the IRAP liability and withholding taxes on dividends, is provided below:

(€ thousands)	**2021**	**2020**
Profit before taxes	180,397	192,498
Ordinary tax rate	24.0%	24,0%
Theoretical income taxes	43,295	46,200
Tax effect of permanent differences	(9,393)	(23,085)
Total income taxes	**33,902**	**23,115**
Effective tax rate	**18.8%**	**12.0%**

In 2021, the effective tax rate decreased to 18.8% from 12% in 2020, due to lower dividend collection.

9. Earnings per share

Information about basic earnings per share and diluted earnings per share is provided in the Notes to the consolidated Financial Statements.

Consolidated statement of financial position

10. Property, plant and equipment

The tables below show the changes that occurred in the original cost of property, plant and equipment in 2021 and 2020:

(€ thousands)	**At December 31, 2020**	**Additions**	**Disposals**	**Translation differences**	**Reclassifications and other changes**	**At December 31, 2021**
Land	659	-	-	-	-	659
Buildings	13,453	188	-	-	3	13,644
Plant and machinery	30,014	2,676	1,038	-	2,503	34,155
Manufacturing and distribution equipment	81,817	9,185	2,840	466	1,783	90,411
Other assets	13,697	444	34	600	233	14,940
Advances and tangible in progress	9,508	7,004	-	20	(6,466)	10,065
IFRS 16 rights of use	13,604	3,371	295	634	-	17,314
Total property, plant and equipment	**162,752**	**22,867**	**4,206**	**1,720**	**(1,944)**	**181,189**

(€ thousands)	**At December 31, 2019**	**Additions**	**Disposals**	**Translation differences**	**Reclassifications and other changes**	**At December 31, 2020**
Land	659	-	-	-	-	659
Buildings	11,345	495	-	-	1,614	13,453
Plant and machinery	29,719	1,600	765	(122)	(417)	30,014
Manufacturing and distribution equipment	75,040	7,432	2,500	(253)	2,098	81,817
Other assets	12,824	445	15	(446)	888	13,697
Advances and tangible in progress	10,108	5,807	-	(28)	(6,379)	9,508
IFRS 16 rights of use	13,587	639	141	(482)	-	13,604
Total property, plant and equipment	**153,282**	**16,418**	**3,421**	**(1,331)**	**(2,197)**	**162,752**

The following changes occurred in the corresponding accumulated depreciation accounts in 2021 and 2020:

(€ thousands)	**At December 31, 2020**	**Depreciation**	**Disposals**	**Translation differences**	**Reclassifications and other changes**	**At December 31, 2021**
Buildings	5,998	469	-	-	-	6,467
Plant and machinery	19,791	2,294	951	-	-	21,134
Manufacturing and distribution equipment	64,330	8,456	2,164	276	(1,585)	69,313
Other assets	6,486	980	33	202	-	7,635
IFRS 16 rights of use	2,837	1,775	282	79	-	4,408
Total property, plant and equipment	**99,442**	**13,973**	**3,431**	**557**	**(1,585)**	**108,957**

(€ thousands)	**At December 31, 2019**	**Depreciation**	**Disposals**	**Translation differences**	**Reclassifications and other changes**	**At December 31, 2020**
Buildings	5,558	440	-	-	-	5,998
Plant and machinery	20,048	2,577	744	(91)	(1,998)	19,791
Manufacturing and distribution equipment	58,599	7,608	1,812	(112)	47	64,330
Other assets	5,367	994	14	(120)	259	6,486
Advances and tangible in progress	-	-	-	-	-	-
IFRS 16 rights of use	1,443	1,561	136	(32)	-	2,837
Total property, plant and equipment	**91,015**	**13,180**	**2,706**	**(355)**	**(1,692)**	**99,442**

A breakdown of the net carrying value of property, plant and equipment at December 31, 2021 and 2020 is provided below:

(€ thousands)	At December 31, 2020	Additions	Depreciation	Disposals	Translation differences	Reclassifications and other changes	At December 31, 2021
Land	659	-	-	-	-	-	659
Buildings	7,456	188	469	-	-	3	7,177
Plant and machinery	10,223	2,676	2,294	86	-	2,503	13,021
Manufacturing and distribution equipment	17,489	8,925	8,456	676	191	3,367	20,840
Other assets	7,210	238	980	-	398	233	7,099
Advances and tangible in progress	9,508	7,470	-	-	20	(6,469)	10,529
IFRS 16 rights of use	10,767	3,371	1,775	12	556	-	12,906
Total property, plant and equipment	**63,311**	**22,867**	**13,973**	**775**	**1,164**	**(363)**	**72,231**

(€ thousands)	At December 31, 2019	Additions	Depreciation	Disposals	Translation differences	Reclassifications and other changes	At December 31, 2020
Land	659	-	-	-	-	-	659
Buildings	5,787	495	440	-	-	1,614	7,456
Plant and machinery	9,671	1,600	2,577	21	(31)	1,581	10,223
Manufacturing and distribution equipment	16,441	7,432	7,608	688	(139)	2,051	17,489
Other assets	7,457	445	994	1	(326)	629	7,210
Advances and tangible in progress	10,108	5,807	-	-	(28)	(6,379)	9,508
IFRS 16 rights of use	12,144	639	1,561	5	(450)	-	10,767
Total property, plant and equipment	**62,267**	**16,418**	**13,180**	**715**	**(975)**	**(504)**	**63,311**

The depreciation taken was computed in a manner that reflects fairly the actual wear and tear and economic/technical obsolescence of the assets. Equipment held by customers that requires extraordinary maintenance is depreciated at 33% rate from the moment the maintenance is completed. With regard to the equipment held by customers under gratuitous loan agreements, depreciation expense amounted to € 4,778 thousand (€ 4,326 thousand in 2020).

Reclassifications and net other changes amounting to € 363 thousand (€ 504 thousand in 2020) refer to advance payment reclassification from tangible to intangible assets.

Tangible assets include “Right-of-use Assets” for a total amount of € 12.906 thousand at December 31, 2021 (€ 10,767 thousand in 2020), recognized on the basis of IFRS 16 accounting standard. The item includes right-of-use assets relating to rented property and industrial buildings, amounting to € 11,758 thousand at December 31, 2021 (€ 9,431 thousand at December 31, 2020), along with right-of-use assets relating to company vehicles rentals amounting to € 1,148 at December 31, 2021 (€ 1,336 thousand at December 31, 2020).

11. Goodwill and other intangible assets

In 2021 and 2020 changes in the gross carrying amount of intangible assets were as follows:

(€ thousands)	At December 31, 2020	Additions	Translation differences	Disposals and other changes	At December 31, 2021
Goodwill	44,966	-	-	-	44,966

Development costs	44,539	11,687	-	665	55,561
Concessions, licenses and trademarks	83,990	1,272	-	1,247	86,509
Customer relationship	6,741	-	-	-	6,741
Industrial patents and intellectual property rights	12,074	103	-	-	12,177
Advances and other intangibles	105	-	7	-	112
Total intangibles	**192,416**	**13,062**	**7**	**582**	**206,066**

(€ thousands)	**At December 31, 2019**	**Additions**	**Disposals and other changes**	**At December 31, 2020**
Goodwill	44,966	-	-	44,966
Development costs	35,538	8,362	639	44,539
Concessions, licenses and trademarks	82,253	1,111	626	83,990
Customer relationship	6,741	-	-	6,741
Industrial patents and intellectual property rights	11,643	431	-	12,074
Advances and other intangibles	99	11	(5)	105
Total intangibles	**181,241**	**9,915**	**1,260**	**192,416**

The following changes occurred in the corresponding accumulated amortization accounts in 2021 and 2020:

(€ thousands)	**At December 31, 2020**	**Amortization**	**Translation differences**	**Disposals and other changes**	**At December 31, 2021**
Goodwill	5,210	-	-	-	5,210
Development costs	17,995	3,183	-	-	21,178
Concessions, licenses and trademarks	39,944	5,505	-	(13)	45,436
Customer relationship	1,543	449	-	-	1,992
Industrial patents and intellectual property rights	10,220	577	-	-	10,797
Advances and other intangibles	86	8	6	-	100
Total intangibles	**74,998**	**9,722**	**6**	**(13)**	**84,713**

(€ thousands)	**At December 31, 2019**	**Amortization**	**Disposals and other changes**	**At December 31, 2020**
Goodwill	5,210	-	-	5,210
Development costs	15,036	2,959	-	17,995
Concessions, licenses and trademarks	34,375	5,611	(42)	39,944
Customer relationship	1,094	449	-	1,543
Industrial patents and intellectual property rights	9,629	591	-	10,220
Advances and other intangibles	84	6	-	86
Total intangibles	**65,428**	**9,616**	**(42)**	**74,998**

A breakdown of the net carrying value of intangible assets at December 31, 2021 and 2020 is provided below:

(€ thousands)	At December 31, 2020	Additions	Amortization	Translation differences	Disposals and other changes	At December 31, 2021
Goodwill	39,756	-	-	-	-	39,756
Development costs	26,544	11,946	3,183	-	(924)	34,383
Concessions, licenses and trademarks	43,597	1,272	5,505	-	1,260	40,624
Customer relationship	5,647	-	449	-	-	5,198
Industrial patents and intellectual property rights	1,855	103	577	-	-	1,381
Advances and other intangibles	20	-	8	3	-	15
Total intangibles	**117,419**	**13,321**	**9,722**	**3**	**336**	**121,357**

(€ thousands)	At December 31, 2019	Additions	Amortization	Disposals and other changes	At December 31, 2020
Goodwill	39,756	-	-	-	39,756
Development costs	20,502	8,362	2,959	639	26,544
Concessions, licenses and trademarks	47,878	1,111	5,611	668	44,046
Customer relationship	5,647	-	449	-	5,198
Industrial patents and intellectual property rights	2,015	431	591	-	1,855
Advances and other intangibles	15	11	6	-	20
Total intangibles	**115,813**	**9,915**	**9,616**	**1,307**	**117,419**

Goodwill

Goodwill totaled € 39,756 thousand at December 31, 2021. Upon first-time adoption of the IFRSs, the Company chose to avail itself of the option provided in IFRS 1 (Appendix B, Section B2, g (i)). Accordingly, it recognized as goodwill the residual amount shown for this item in the financial statements at January 1, 2005 prepared in accordance with Italian accounting principles, written down to eliminate the capitalization of development costs previously included in the value of goodwill.

As explained in the accounting principles section of this Report, goodwill is not amortized. Instead, its value is written down when impairment losses occur. The Company assesses the recoverability of goodwill and of other intangibles with indefinite useful lives annually through impairment tests.

The recoverability of the recognized amounts was tested by comparing the net carrying amount with the corresponding recoverable value (value in use). The recoverable amount is the present value of future cash flows that are expected to arise from the continuing use of the assets belonging to each Cash Generating Unit, both for the period of explicit flows, and at the end of the time horizon of the forecast (under so-called method of perpetuity).

The impairment test was completed on the basis of the most recent projections of economic results and cash flows for future years (2022-2024). These projections have been developed on the basis of the 2022 budget and according to the business plan approved by the Board of Directors on December 16, 2021.

In computing the present value of future cash flows, the Company used a discount rate that reflects the weighted average of the cost of capital and debt (WACC). The discount rate used was determined on an after-tax basis in accordance with the determination of cash flows and takes into account the specific risks associated with the countries where the Company operates.

The discount rate applied was 6.62%.

The planning time horizon used was 3 years. For subsequent years, a terminal value (perpetual return) has been applied, using a growth rate (the "g" rate) of 2%, representative of what management believes may represent an average rate of growth projected for the sector.

In addition, the Company performed a sensitivity analysis assuming a deterioration of the variables used in the impairment test: WACC and g rate. More specifically the discount rate WACC increased to 1 percentage point and the growth rate "g" decreased to 0.5%. This sensitivity analysis did not reveal impairment of the goodwill.

The impairment tests performed showed that there was no need to adjust the carrying value of goodwill and other intangibles in the financial statements of DiaSorin S.p.A.

Development costs

At December 31, 2021, capitalized development costs amounted to € 34,383 thousand (€ 26,544 thousand at December 31, 2020). In 2021, additions were € 11,946 thousand and related to the development of the new molecular analyzer. Costs are amortized on a straight-line basis over the length of their useful life, which management estimates at 10 years. The recoverability of the net carrying amount of capitalized development projects was tested by determining the recoverable value of the CGUs to which they were allocated and testing the CGUs for impairment. The impairment tests performed showed that no write-down was required.

Concessions, licenses and trademarks and customer relationship

At December 31, 2021, the item concessions, licenses and trademarks amounted to € 40,624 thousand (€ 43,597 thousand at December 31, 2020), with a decrease of € 2,973, primarily as a result of amortization.

At December 31, 2021, the item customer relationship amounted to € 5,198 thousand, primarily as a result of amortization.

The recoverability of the net carrying amount of capitalized development projects was tested by determining the recoverable value of the CGUs to which they were allocated and testing the CGUs for impairment. The impairment tests performed showed that no write-down was required.

12. Equity investments

Equity investments were € 658,288 thousand at December 31, 2021 (€ 113,476 thousand at December 31, 2020). The table that follows lists the Company's equity investments and shows the changes that occurred in 2021:

Company	Head office location	12/31/2020	Change	12/31/2021
DiaSorin S.A/N.V.	Bruxelles (Belgium)	1,145	-	1,145
DiaSorin Ltda	Sao Paolo (Brazil)	10,908	-	10,908

DiaSorin S.A.	Antony (France)	2,509	-	2,509
DiaSorin Iberia S.A.	Madrid (Spain)	5,331	-	5,331
DiaSorin Ltd	Blewbury (UK)	572	117	689
DiaSorin Inc.	Stillwater (USA)	36,462	550,362	586,824
DiaSorin Mexico S.A de C.V.	Mexico City (Mexico)	3,296	-	3,296
DiaSorin Deutschland GmbH	Dietzenbach (Germany)	5,394	58	5,452
DiaSorin AB	Solna (Sweden)	4,819	-	4,819
DiaSorin Ltd	Rosh Haayin (Israel)	-	-	-
DiaSorin Austria GmbH	Vienna (Austria)	1,035	-	1,035
DiaSorin Poland sp. Z .o.o.	Warsaw (Poland)	2,854	-	2,854
DiaSorin Czech s.r.o.	Prague (Czech Republic)	2,126	-	2,126
DiaSorin Diagnostics Ireland Limited	Dublin (Ireland)	5,941	(5,941)	-
DiaSorin South Africa (PTY) Ltd	Johannesburg (South Africa)	541	-	541
DiaSorin Australia (Pty) Ltd	Sydney (Australia)	2,275	-	2,275
DiaSorin Ltd	Shanghai (China)	275	204	479
DiaSorin Switzerland AG	Risch (Switzerland)	243	-	243
DiaSorin INUK Ltd	Dublin (Ireland)	7,862	-	7,862
DiaSorin Ireland Ltd	Dublin (Ireland)	19,878	-	19,878
DiaSorin I.N. Limited	Dublin (Ireland)	-	-	-
DiaSorin Healthcare India Private Limited	Mumbai (India)	-	-	-
DiaSorin Apac	Singapore	10	-	10
DiaSorin Dubai	Dubai	-	11	11
Total equity investments		**113,476**	**544,812**	**658,288**

The change of € 544,812 thousand was due to:

- the increase in Diasorin Inc.' s equity investment following the capital increase for the Luminex Group acquisition, for an amount of € 548,394 thousand;
- the increase in stock option costs awarded to employees of DiaSorin Inc., DiaSorin Deutschland GmbH, Diasorin Ltd (China), DiaSorin Ltd (UK), for an amount of € 2,347 thousand;
- the decrease due to the liquidation of the equity investment value in Diasorin Diagnostics Ireland Limited, for an amount of € 5,941 thousand;

The carrying amount of the equity investments has been tested for impairment, even in the absence of specific indicators. The impairment test was completed on the basis of the most recent projections of economic results and cash flows for future years (2022-2024). These projections have been developed on the basis of the 2022 budget and according to the latest forecast data available to the Group Management and approved by the Board of Directors on December 16, 2021.

In computing the present value of future cash flows, the Company used a discount rate that consists of the weighted average of the cost of capital and of debt (WACC – *Weighted Average Cost of Capital*). The discount rate used was determined on an after-tax basis in accordance with the determination of cash flow and calculated on each single CGU in order to reflect the specific risks associated with the countries where the Company operates.
The growth rate of the terminal value, equal to 2% for each equity investment, is representative of what management believes may represent a minimum growth rate for sector and countries where the equity investment operates.
A list of the equity investments held by the Group's Parent Company is provided below.

	Head Office location	Currency	Share capital (*)	Net profit/(loss) for the year (*)	Shareholders' equity in latest approved financial statements (*)	Value per share or partnership interest	% interest held directly	no. of shares held
Equity investments consolidated line by line								
DiaSorin S.A/N.V.	Bruxelles (Belgium)	EUR	1,674,000	2,918,702	8,497,402	6,696	99.99%	249
DiaSorin Ltda	San Paolo (Brazil)	BRL	65,547,409	14,091,822	31,788,619	1	99.99%	65,547,408
DiaSorin S.A.	Antony (France)	EUR	960,000	2,762,189	9,810,316	15,3	99.99%	62,492
DiaSorin Iberia S.A.	Madrid (Spain)	EUR	1,453,687	3,465,344	11,205,183	6,01	99.99%	241,877
DiaSorin Ltd	Dartford (UK)	GBP	500	2.123.333	2.885.565	1	100.00%	500
DiaSorin Inc.	Stillwater (USA)	USD	1	80,113,100	1,234,317,500	0,01	100.00%	100
DiaSorin Mexico S.A de C.V.	Mexico City (Mexico)	MXP	63,768,473	(3,977,819)	48,242,393	1	99.99%	49,999
DiaSorin Deutschland GmbH	Dietzenbach (Germany)	EUR	275,000	1,863,174	7,608,669	275,000	100.00%	1
DiaSorin AB	Solna (Sweden)	SEK	5,000,000	4,731,961	28,461,766	100	100.00%	50,000
DiaSorin Ltd	Rosh HaAyin (Israel)	ILS	100	6,409,000	23,651,000	1	100.00%	100
DiaSorin Austria GmbH	Vienna (Austria)	EUR	35,000	1,584,814	3,792,110	35,000	100.00%	1
DiaSorin Czech s.r.o.	Prague (Czech Republic)	CZK	200,000	33,142,000	234,494,000	200,000	100.00%	1
DiaSorin Ireland Limited	Dublin (Ireland)	EUR	163,202	(24,900)	19,852,997	1,2	100.00%	136,002
DiaSorin I.N.UK Limited	Dublin (Ireland))	EUR	7,826,072	(28,100)	11,634,693	0,01	100.00%	782,607,110
DiaSorin I.N. Limited	Dublin (Ireland))	EUR	1	4,452,341	6,348,122	0,01	100.00%	100
DiaSorin South Africa (PTY) Ltd	Sandton (South Africa)	ZAR	101	(2,914,673)	4,271,115	1	100.00%	101
DiaSorin Australia (Pty) Ltd	Sydney (Australia)	AUD	3,300,000	1,709,601	12,508,793	33,000	100.00%	100
DiaSorin Ltd	Shanghai (China)	RMB	22,000,000	(7,192,402)	41,144,063	1	76.00%	16,720,000
DiaSorin Switzerland AG	Rotkreuz (Switzerland)	CHF	100,000	1,820,522	2,535,579	100	100.00%	1,000
DiaSorin Poland sp. z o.o.	Warsaw (Poland)	PLN	550,000	4,590,240	14,037,573	50	100.00%	11,000
DiaSorin Healthcare India Private Limited	Chennai (India)	INR	4,700,000	71,727,527	249,283,779	10	0.01%	47,000
DiaSiorin APAC Pte. Ltd.	Singapore (Singapore)	EUR	1	71,527	418,666	N/A	100.00%	1
DiaSorin Middle East FZ-LLC	Dubai (UAE)	AED	50,000	-	-	1,000	100.00%	50

(*) Amounts stated in local currency

13. Deferred-tax assets

Deferred-tax assets amounted to € 4,867 thousand (€ 4,945 thousand at December 31, 2020). They are recognized in the financial statements when their future use is deemed probable. The balance reflects the deferred-tax assets computed on the temporary differences between the asset and liabilities amounts used to prepare the consolidated financial statements and the corresponding amounts used by the consolidated companies for tax purposes. A more detailed description of the temporary differences tax effect that generates deferred-tax assets is provided below:

(€ thousands)	**12/31/2021**	**12/31/2020**
Positive changes:		
Amortization of goodwill /intangible assets		
Provisions for risks	5,705	4,907
Actuarial valuation of employee benefits	678	677
Unrealized exchange differences	(29)	433
Other charges deductible in future years	360	451
Total	**6,714**	**6,468**
Negative changes:		
Amortization	(1,847)	(1,523)
Unrealized exchange differences		
Total	**(1,847)**	**(1,523)**

Total deferred-tax assets	4,867	4,945

14. Inventories

A breakdown of inventories, which totaled € 120,130 thousand, is as follows:

(€ thousands)	12/31/2021			12/31/2020		
	Gross amount	**Provisions for write-down**	**Net amount**	**Gross amount**	**Provisions for write-down**	**Net amount**
Raw materials and supplies	38,041	(1,738)	36,303	33,018	(1,715)	31,303
Work in progress	45,256	(1,556)	43,700	47,157	(1,898)	45,259
Finished goods	43,868	(3,741)	40,127	37,910	(1,907)	36,003
Total	**127,165**	**(7,035)**	**120,130**	**118,085**	**(5,520)**	**112,565**

Inventories increased by € 7,565 thousand compared to December 31, 2020, due to the growth in manufacturing volumes to support increased revenues.

The table below shows the changes that occurred in the provisions for inventory write-downs:

(€ thousands)	12/31/2021	12/31/2020
Opening balance	**5,520**	**4,175**
Additions for the period	1,596	1,498
Utilizations/reversals for the period	(152)	(117)
Translation differences and other changes	71	(36)
Closing balance	**7,035**	**5,520**

15. Trade receivables

Trade receivables were € 156,210 thousand at December 31, 2021 (of which € 108,089 thousand with related parties), up by € 21,174 thousand compared to December 31, 2020 (€ 135,036 thousand). Trade receivables owed by public institutions amounted to € 18,731 thousand at December 31, 2021.
The allowance for doubtful accounts amounted to € 4,516 thousand. The main changes occurred at December 31, 2021 are provided below:

(€ thousands)	12/31/2021	12/31/2020
Opening balance	**4,209**	**3,537**
Additions for the year	386	874
Utilizations for the year	(79)	(202)
Closing balance	**4,516**	**4,209**

In order to bridge the gap between contractual payment terms and actual collection terms, the Group's Parent Company uses factoring transactions to assign its receivables without recourse. In 2021, the receivables assigned by the Group's Parent Company amounted to € 64,127 thousand (€ 56,239 thousand in 2020).

16. Financial receivables and other non-current financial assets

The balance of € 48,806 thousand includes primarily:
- € 44,398 thousand in loans provided to Group companies (of which € 2,192 thousand for current portion and € 42,206 thousand for non-current portion);
- Positive balance arising from the centralized cash management system managed by the Group's Parent Company (€ 4,408 thousand)

The change in loans provided to Group companies is provided below (amounts stated in € thousands):

Subsidiary	Balance at 12/31/2021	Balance at 12/31/2020
DiaSorin Poland sp. Z.o.o	1,175	1,581
DiaSorin I.N. Limited	26,567	37,267
DiaSorin Slovakia sro	549	961
DiaSorin Australia Pty	-	299
DiaSorin Ltda (Brazil)	559	1,834
DiaSorin Sa de CV (Mexico)	1,389	1,299
DiaSorin Dubai	53	-
DiaSorin China	14,106	-
-Total loans	**44,398**	**43,241**

In 2021, a new loan was granted to DiaSorin China for an amount of € 14,106 thousand and to DiaSorin Dubai for an amount of € 53 thousand.

As at December 31, 2021, all existing loans accrue fixed or floating interest rate, as contractually defined and in line with market conditions applicable to the lending operation.

17. Other current assets

Other current assets increased to € 9,755 thousand (€ 6,310 thousand at December 31, 2020), due to the recognition of tax receivables from tax authorities.
Other non-current assets were € 3,327 thousand (€ 3,907 thousand at December 31, 2020).

18. Cash and cash equivalents

Cash and cash equivalents amounted to € 146,446 thousand at December 31, 2021 (€ 134,304 thousand at December 31, 2020). They consist of balances in banks accounts. More detailed information is provided in the Statement of Cash Flows.

19. Shareholders' equity

Share capital

At December 31, 2021, the fully paid-in share capital consisted of 2021 da 55,948,257 common shares, par value of 1 € each. No changes occurred compared with December 31, 2020.

Treasury shares

At December 31, 2021, the amount of treasury shares was 1,202,000 (2.15% of the share capital), totaling € 120,022 thousand (€ 109,546 thousand at December 31, 2020).
The change equal to € 10,476 thousand compared to 2020 was due to the sale and purchase of treasury shares in connection with the Stock Option Plan for employees.

Additional paid-in capital

This reserve amounted to € 18,155 thousand at December 31, 2021 and no changes occurred compared with December 31, 2020.

Other reserves and retained earnings

A breakdown of other reserves and retained earnings is as follows:

(€ thousands)	**12/31/2021**	**12/31/2020**	**change**
Currency translation reserve	(220)	(858)	638
Reserve for treasury shares	120,022	109,546	10,476
Stock option reserve	14,279	9,644	4,635
IFRS 9 reserve	-	-	-
Gains/(losses) on remeasurement of defined benefit plans	(1,394)	(1,331)	(63)
Reserve for equity investments revaluation	5,287	4,436	851
Retained earnings	424,894	263,285	161,609
IFRS transition reserve	1,006	1,006	-
Total Other reserves and retained earnings	**563,874**	**385,728**	**178,146**

Currency translation reserve

The change of € 638 thousand shown in the currency translation reserve at December 31, 2021 is due to the translation into euros of the U.K. Branch balances and to unrealized foreign exchange differences on the indebtedness denominated in foreign currencies held by the Parent Company to hedge its equity investment in the U.K. Branch, which were positive by € 501 thousand, net of the tax effect (equal to € 158 thousand).

Reserve for treasury shares

At December 31, 2021, the reserve for treasury shares amounted to € 120,022 thousand (€ 109,546 thousand at December 31, 2020). This reserve was established pursuant to law (Article 2357-*ter* of the Italian Civil Code). In 2021, the increase in the reserve was due to the purchase of treasury shares, amounting to € 19,377 thousand, net of 139,112 total options exercised, for a total amount of € 8,901 thousand.

Stock option reserve

At December 31, 2021, the stock option reserve amounted to € 14,279 thousand (€ 9,644 thousand at December 31,2020) and refers to the stock option plans that were outstanding at December 31, 2021 (described in Note 27). The changes in the reserve that occurred at December 31, 2021 included both an increase due to the recognition of the overall cost of the stock option Plans (€ 4,020 thousand) that was posted and recognized in the income statement as labor costs included in general and administrative expenses, and a decrease of € 879 thousand following the options exercised. Lastly, this reserve includes costs related to options awarded to subsidiaries employees and recognized as increase in equity investments value (€ 2,347 thousand) and a decrease of € 852 for the options exercised to serve Stock Options plans.

Gains/Losses on remeasurement of defined-benefit plans

At December 31, 2021 this item, negative by € 1,393 thousand at December 31, 2021, includes net losses of the period related to the actuarial assessment of the Group's defined-benefit plans amounting to € 63 thousand, net of tax effect.

Retained earnings

Retained earnings amounted to € 424,894 thousand (€ 263,285 thousand at December 31, 2020). The increase compared to December 31, 2020 is due to:

- the appropriation of the net profit earned in 2020 (164,216 thousand);
- dividend distribution to shareholders, equal to € 54,709 thousand, approved on April 22, 2021 by the Ordinary Shareholders' Meeting (equal to € 1.00 per share);
- the entry of a convertible debt reserve amounting to € 59,800 thousand for the convertible bond issue to support the Luminex Group acquisition;
- positive change of € 1,731 thousand resulting from the exercise of some tranches of the 2016 and 2017 Stock Option Plans (with consequent sale of treasury shares).

IFRS transition reserve

The IFRS transition reserve was established on January 1, 2006, upon first-time adoption of the IFRSs as an offset to the adjustments recognized to make the financial statements prepared in accordance with Italian accounting principles consistent with IFRS requirements, net of the applicable tax effect (as required by and in accordance with IFRS 1). This reserve has not changed since it was first established.

The table below shows the components of shareholders' equity on the basis of availability for use and distribution:

(€ thousands)

Nature and description	**Amount**	**Possible use (*)**
Share capital	55,948	
Additional paid-in capital	18,155	A,B
Statutory reserve	11,190	B
Reserve for treasury shares	120,022	
Other reserve	18,958	A,B
Retained earnings	424,894	A,B,C

(*) Possible use

A: for share capital increase

B: to cover losses

C: for distribution to shareholders

20. Financial liabilities

Debt for financial liabilities amounted to € 539,294 thousand at December 31, 2021 and a breakdown is as follows (amount in thousands):

Type of financial liability	**Currency**	**Current portion**	**Non-current portion**	**Over 5 years**	**Total**
IFRS 16 lease payables	€	1,231	11,005	-	12,236
Convertible Debt	€	-	439,520	439,520	439,520
Total financial liabilities owed to third parties		**1,231**	**450,525**	**439,520**	**451,756**
Group's centralized cash management system / Intra-group financing facilities	€	87,538	-	-	87,538
TOTAL		**88,769**	**450,525**	**439,520**	**539,294**

As regards borrowing, the following should be noted:

the Euro 500 million senior unsecured equity-linked bond issue named "€500 million Zero Coupon Equity Linked Bonds due 2028", with settlement on May 5, 2021 and maturity on May 5, 2028. The "Convertible Debt" item, equal to € 439,520 thousand, includes liabilities, which arise from the abovementioned issue, measured at amortized cost.
The item includes negative balances arising from the centralized cash management system managed by the Group's Parent Company (€87,538 thousand) and liabilities under IFRS 16 leases (€ 12,236 thousand).

The table below lists the financial liabilities owed to outside lenders that were outstanding at December 31, 2021 (amounts in € thousands):

Lender	At December 31, 2020	Disbursements	Repayments	Translation differences	At fair value	Amortized cost effect	At December 31, 2021
IFRS 16 lease payables	11,349	1,654	(1,399)	632	-	-	12,236
Convertible Debt	-	433,502	-		-	6,018	439,520
Total financial liabilities	**11,349**	**435,156**	**(1,399)**	**632**	**-**	**6,018**	**451,756**
Other financial liabilities	(126)	-		(279)	1,442	-	1,037
Total financial items	**11,223**	**435,156**	**(1,399)**	**353**	**1,442**	**6,018**	**452,793**

As required by IAS 7, the table that follows provides financial liabilities: the flows shown are future cash flows determined on the basis of residual contractual maturities for both principal and interest.

Lender	At December 31, 2021	1 year	2 - 5 years	> 5 years	Total
DiaSorin S.p.A. Convertible debt	439,520	-	-	500,000	500,000
IFRS 16 lease payables	12,236	1,349	3,893	7,761	13,003
Trade payables	79,711	79,711	-	-	79,711
Other current financial liabilities	1,037	1,037	-	-	1,037
Total financial liabilities	**532,504**	**82,097**	**3,893**	**507,761**	**593,751**

21. Provision for employee severance indemnities and other employee benefits

The balance in this account reflects all of the Company's pension plan obligations, other post-employment benefits and benefits payable to employees when certain requirements are met. The Company provides post-employment benefits to its employees through defined-contribution and/or defined-benefit plans. As a rule, benefits are based on each employee's level of compensation and years of service. The Company's obligations refer to the employees currently on its payroll.

Defined-contribution plans

When defined-contribution plans are used, the Company pays contributions to public or private insurance institutions pursuant to a statutory or contractual obligation or on a voluntary basis. With the payment of these contributions, the Company absolves all of its obligations. The liability for contributions payable on the date of the financial statements is included under "Other current liabilities." The cost attributable to each year, which accrues based on the services provided by employees, is recognized as a labor cost of the relevant organizational unit.
In 2021, this cost amounted to € 2,806 thousand.

Defined-benefit plans

The Company's pension plan that qualifies as a defined-benefit plan is the plan covered by the provision for employee severance indemnities accrued until December 31, 2006. The liability is recognized at its actuarial value using the projected unit credit method. Any resulting actuarial gains or losses are credited or charged to equity in the statement of comprehensive income in the period in which they arise.

Other employee benefits

The Company also provides its employees with additional long-term benefits, which are paid when employees reach a predetermined length of service. In these cases, the value of the liability recognized in the financial statements reflects the probability that these benefits will be paid and the length of time for which they will be paid. The liability owed under this plan is recognized at its actuarial value using the projected unit credit method. Starting from 2019, a 2019-2022 four-year plan ("LTI Plan") was implemented in favor of seven key executives of DiaSorin Group, including the Strategic Executives. The LTI Plan was adopted with the aim of their retention, as well as rewarding the achievement of important medium/long- term business targets in accordance with the DiaSorin Group growth strategy. The LTI Plan envisages a stock option plan (the 2018 Plan, as described in Note 27) and a target cash bonus (totaling Euro 7.000.000,00 gross) tied to the achievement of a specific objective. Upon achieving the target objective, the cash bonus shall be paid to each beneficiary by the end of April 2023, following the approval of the 2022 consolidated financial statements by the Board of Directors of the Company. The LTI Plan cash bonus falls into "Other long-term benefits" of IAS 19 and is assessed by using actuarial methods. Please note that any resulting actuarial gains or losses recorded on the basis of these employees' benefits are recognized in the income statement. Losses recognized in 2021 were € 45 thousand (losses of € 223 thousand in 2020).

The table that follows summarizes the Company's main employee benefit plans that are currently in effect:

(€ thousands)	**12/31/2021**	**12/31/2020**	**Change**
Employees severance indemnities	2,847	3,025	(176)
Other long-term benefits	4,005	3,173	830
Total employee benefits	**6,852**	**6,198**	**654**

The "Provision for employee severance indemnities" reflects the Company's liability under the relevant Italian law (recently amended with the enactment of Law No. 296/06) for employee severance benefits vested up to December 31, 2006, which will be paid to employees at the end of their employment. Under certain specific conditions, advances may be disbursed to employees while still employed. This system constitutes a non-financed defined-benefit plan, since virtually all of the benefits have vested, except for inflation adjustments.

The table below shows a breakdown of the main changes that occurred in the Group's employee benefit plans in 2021:

(€ thousands)	**Defined-benefit plans**	**Other benefits**	**Total employee benefits**
Balance at 12/31/2020	**3,023**	**3,175**	**6,198**
Financial losses / (gains)	(12)	(14)	(26)
Actuarial losses/(gains) recognized in income statement	-	45	45
Actuarial losses/(Gains) arising from financial assumptions	15	-	15
Actuarial losses/(Gains) arising from demographic adjust.	-	-	-

Actuarial Losses/(Gains) arising from experience adjust.	68	-	68
Current service cost	-	863	863
Benefits paid	(247)	(64)	(311)
Balance at 12/31/2021	**2,847**	**4,005**	**6,852**

The main changes in provisions for employee benefits encompass actuarial losses recognized in the comprehensive income statement (€ 83 thousand) and contribution paid (€ 311 thousand). The net amount recognized in the 2021 income statement for employee benefits was an expense of € 882 thousand (€ 985 thousand in 2020).

Actuarial losses/(gains) relating to other benefits and current service cost are recognized in the income statement as part of Labor costs, allocated to the area to which they correspond. Interest expense is recognized in the income statement as part of net financial income (expense). Actuarial losses/(gains) relating to defined-benefit plan that are credited or charged to equity in the statement of comprehensive income in the period in which they arise.

The table below lists the main assumptions used for actuarial computation purposes for the defined-benefit plans:

	Employee's severance indemnities	
	12/31/2021	**12/31/2020**
Discount rate	0.25%	(0.12%)
Projected wage increases	3.50%	3.50%
Inflation rate	2.28%	1.16%
Average employee turnover rate	6.51%	6.51%

A sensitivity analysis on the change of the main assumptions used for actuarial computation purposes is set out below:

(€ thousands)		**Employee severance indemnities**
Discount rate		
	0.5% Increase	(102)
	0.5% Decrease	108
Projected wage increases		
	0.5% Increase	-
	0.5% Decrease	-
Inflation rate		
	0.5% Increase	65
	0.5% Decrease	(63)
Average employee turnover rate		
	10% Increase	(7)
	10% Decrease	7

22. Other non-current liabilities

Other non-current liabilities amounted to € 23,446 thousand (€ 21,212 at December 31, 2020) and include:

- liabilities from customers' contracts (deferral) as against contributions received from Beckman for € 6,500 thousand for the strategic project in partnership;
- provisions for charges, equal to € 13,745 thousand;
- other liabilities for severance benefits to sales agents, equal to € 636 thousand;

- long-term liabilities for put/call options envisaged by the new *Joint Venture* agreement in China, equal to € 1,334 thousand, recognized according to IAS 32 and IFRS 9 accounting standards.

Details and the related changes are provided below:

(€ thousands)	12/31/2021			12/31/2020		
	Provision for charges	**Supplementary customer indemnity**	**Total**	**Provision for charges**	**Supplementary customer indemnity**	**Total**
Opening balance	**10,626**	**543**	**11,169**	**8,721**	**437**	**9,158**
Additions for the year	3,216	160	**3,376**	2,330	127	**2,457**
Utilizations/Reversals for the year	(138)	(67)	**(205)**	(425)	(21)	**(446)**
Translation differences	41	-	**41**	-	-	**-**
Closing balance	**13,745**	**636**	**14,381**	**10,626**	**543**	**11,169**

As to Supplementary customer indemnity, the amount was computed in accordance with the provisions of IAS 37, according to which the amount of the provision must be an estimate of the present value of the amounts that will be paid upon termination of the agency relationship to the sales agents entitled to receive these benefits.

23. Trade payables

Trade payables, which totaled € 79,711 thousand (€ 65,386 thousand at December 31, 2020) include € 32,545 thousand owed to related parties. There are no amounts due after December 31, 2021.

24. Other current liabilities

Other current liabilities of € 23,084 thousand at December 31, 2021 (€ 22,479 thousand at December 31, 2020) consist mainly of amounts owed to employees for additional monthly payments to be paid, contributions payable to social security and health benefit institutions for an amount of € 21,089 thousand (€ 20,008 thousand at December 31, 2020);

25. Taxes payable

The balance of € 0 thousand at December 31, 2021 (€ 16,188 thousand at December 31, 2020) represents current tax liabilities.

26. Commitments and contingent liabilities

Guarantees provided and received

At December 31, 2021, the guarantees that the Group's Parent Company provided to third parties totaled € 910,872 thousand and include bank sureties in connection with the submission of bids in response to public calls for tenders, pending tax procedures (€ 21,143 thousand), guarantees to secure credit lines provided to Group companies (€ 887,212 thousand), and in connection with defined-contribution pension plans of some subsidiaries (€ 2,517 thousand).
The increase in the amount of commitments for credit lines was due to the guarantee provided to Diasorin Inc. for financing the Luminex acquisition.

Significant commitments and contractual obligations

Significant contractual obligations include the agreements executed by DiaSorin S.p.A., the Group's Parent Company, and Stratec in connection with the development and production of LIAISON XL and new LIAISON XS analyzers. The supply contract signed by DiaSorin and Stratec calls for the latter to manufacture and supply exclusively to DiaSorin the analyzers. The Group has agreed to purchase a minimum number of systems. However, the projected commitment is deemed to be significantly lower than the normal level of capital investment that would be required for current or future equipment production. As a result, net invested capital is not expected to undergo significant structural changes in the future as a result of this commitment.

27. Stock option plans

2016 Plan

On April 28, 2016, the Ordinary Shareholders' Meeting approved the new 2016 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.
The Board of Directors approved an initial tranche of beneficiaries with a grant of 130,000 options by a resolution dated May 16, 2016, a second tranche with a grant of 20,000 options by a resolution dated August 4, 2016, a third tranche with a grant of 40,000 options by a resolution dated December 19, 2016, a fourth tranche with a grant of 40,000 options by a resolution dated August 3, 2017, a fifth tranche with a grant of 25,000 options by a resolution dated March 7, 2018, a sixth tranche with a grant of 20,000 options by a resolution dated November 7, 2018 and a seventh tranche with a grant of 25,000 by a resolution dated March 14, 2019.
Please note that, due some "bad leaver" and "good leaver" events, 104,849 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.
These free option grants convey to the beneficiaries the right to acquire up to 250,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2016 Plan.

On May 12, 2016, the company announced the start of the treasury shares buy-back plan to service the Stock Option Plan, under the terms and conditions authorized by the Shareholders' Meeting of April 28, 2016.
The program was completed on June 9, 2016, resulting in the purchase of 250,000 common shares (equal to 0.44% of the share capital). The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

As at December 31, 2021, stock options amounted to 36,699, following 14,234 stock options being exercised between March10, 2021 and June 25, 2021 at an average exercise price of € 70.0517 and 13,000 stock options being exercised between November 8, 2021 and November 26, 2021 at an average exercise price of 82.4239.
During the abovementioned period, the average price of the DiaSorin shares was 166.37.

As detailed:

2016 Plan	Grant date	Number of outstanding options	Parent Company's options
V Tranche	March 7, 2018	4,699	-
VI Tranche	November 7, 2018	7,000	-
VII Tranche	March 14, 2019	25,000	-

Total	**36,699**	-

2017 Plan

On April 27, 2017, the Ordinary Shareholders' Meeting approved the new 2017 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.
The Board of Directors approved a first tranche of beneficiaries with a grant of 170,000 options by a resolution dated November 9, 2017, a second tranche with a grant of 10,000 options by a resolution dated March 7, 2018, a third tranche with a grant of 40,000 options by a resolution dated May 8, 2018, a fourth tranche with a grant of 15,000 options by a resolution dated November 7, 2018, a fifth tranche with a grant of 10,000 options by a resolution dated March 14, 2019, a sixth tranche with a grant of 10,000 options by a resolution dated June 10, 2019, a seventh tranche with a grant of 65,000 options by a resolution dated July 31, 2019, an eighth tranche with a grant of 45,000 options by a resolution dated November 6, 2019, a ninth tranche with a grant of 30,000 options by a resolution dated 19 December, 2019, a tenth tranche with a grant of 5,000 options by a resolution dated March 11, 2020, an eleventh tranche with a grant of 20,000 options by a resolution dated May 13, 2020 and a twelfth tranche with a grant of 56,122 options by a resolution dated July 30, 2020.
Please note that, due some "bad leaver" and "good leaver" events, 57,752 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.
These free option grants convey to the beneficiaries the right to acquire up to 450,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2017 Plan.

The Shareholders' Meeting of April 27, 2017 resolved to authorize, pursuant to and for the purposes of Article 2357 of the Italian Civil Code, the purchase, in one or more installments and for a period of 18 months from the date of the resolution, the purchase of up to 450,000 common shares to service the new 2017 Stock Option Plan. The program was implemented in April 2018 with the purchase of 100,000 common shares (equal to 0.18% of the share capital) and continued throughout 2020 along with the 2019 Stock Option Plan, ended on October 23, 2020.
The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

As at December 31, 2021, stock options amounted to 224,492 (of which 86,122 referred to the Parent Company), following 61,878 stock options (of which 30,000 referred to the Parent Company) being exercised between January 20, 2021, and November 5, 2021, at an average exercise price of 78.4724, following 40,000 stock options (all referred to the Parent Company) being exercised between July 20, 2021 and August 2, 2021, at an average exercise price of 76.2368 and 10,000 stock options (all referred to the Parent Company) being exercised between November 8, 2021 and November 10, 2021, at an average exercise price of 82.4239.
During the abovementioned period, the average price of the DiaSorin shares was 166.51.

As detailed:

2017 Plan	Grant date	Number of outstanding options	Parent Company's options
II Tranche	March 7, 2018	10,000	10,000
IV Tranche	November 7, 2018	5,000	5,000
V Tranche	March 14, 2019	10,000	10,000

VI Tranche	June 10, 2019	10,000	10,000
VII Tranche	July 31, 2019	65,000	15,000
VIII Tranche	November 6, 2019	40,000	-
IX Tranche	December 19, 2019	30,000	-
X Tranche	March 11, 2020	5,000	5,000
XI Tranche	May 13, 2020	20,000	20,000
XII Tranche	July 30, 2020	56,122	11,122
Total		**251,122**	**86,122**

2018 Plan

On April 23, 2018, the Ordinary Shareholders' Meeting approved the new 2018 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.
The Board of Directors approved an initial tranche of beneficiaries with a grant of 675,000 options by a resolution dated May 8, 2018.

The Shareholders' Meeting of April 23, 2018 resolved to authorize, pursuant to and for the purposes of Article 2357 of the Italian Civil Code, the purchase, in one or more installments and for a period of 18 months from the date of the resolution, the purchase of up to 675,000 common shares to serve the new 2018 Stock Option Plan.

On May 3, 2018, the company announced the start of the treasury shares buy-back plan to service the 2018 Stock Option Plan, under the terms and conditions authorized by the Shareholders' Meeting of April 23, 2018. The program was completed on July 4, 2018, resulting in the purchase of 675,000 common shares (equal to 1.21% of the share capital). The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

At December 31, 2021, stock options amounted to 662,781 (of which 560,000 stock options referred to the Parent Company), all related to the grant date of May 8, 2018.

2019 Plan

On April 24, 2019, the Ordinary Shareholders' Meeting approved the new 2019 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.
The Board of Directors approved a first tranche of beneficiaries with a grant of 8,878 options by a resolution dated July 30, 2020, a second tranche with a grant of 91,122 options by a resolution dated November 11, 2020, and a third tranche with a grant of 5,000 options by a resolution dated November 11, 2021.

These free option grants convey to the beneficiaries the right to acquire up to 100,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2019 Plan.

On June 17, 2020, the company announced the start of the treasury shares buy-back plan to service the 2019 Stock Option Plan, under the conditions and terms authorized by the Shareholders' Meeting of April 24, 2019. The program was completed on October 23, 2020, resulting in the purchase of 192,511 common shares (equal to 0.3441% of the share capital), partly to serve the 2017 Stock Option Plan. The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

At December 31, 2021 stock options amounted to 105,000 (of which 80,000 stock options referred to the Parent Company).

As detailed

2019 Plan	Grant date	Number of options	Parent Company's options
I Tranche	July 30, 2020	8,878	8,878
II Tranche	November 11, 2020	91,122	66,122
III Tranche	November 11, 2021	5,000	5,000
Total		**105,000**	**80,000**

2020 Plan
On June 10, 2020, the Ordinary Shareholders' Meeting approved the new 2020 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.
The Board of Directors approved an initial tranche of beneficiaries with a grant of 18,878 options by a resolution dated November 11, 2020, a second tranche of beneficiaries with a grant of 15,000 options by a resolution dated December 21, 2020, a third tranche of beneficiaries with a grant of 60,000 options by a resolution dated March 11, 2021, a fourth tranche of beneficiaries with a grant of 5,000 options by a resolution dated May 14, 2021, a fifth tranche with a grant of 40,000 options by a resolution dated July 30, 2021 and a sixth tranche with a grant of 11,122 options by a resolution dated November 11, 2021.

These free option grants convey to the beneficiaries the right to acquire up to 150,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2020 Plan.

On April 6, 2021, the company announced the start of the treasury shares buy-back plan to service the Stock Option Plan of the company, under the conditions and terms authorized by the Shareholders' Meeting of April 10, 2020. The program was completed on November 2, 2020, resulting in the purchase of 100,000 common shares (equal to 0.1718% of the share capital). The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

At December 31, 2021 stock options amounted to 150,000 (of which 85,000 stock options referred to the Parent Company).

As detailed:

2020 Plan	Grant date	Number of options	Parent Company's options
I Tranche	November 11, 2020	18,878	8,878
II Tranche	December 21, 2020	15,000	15,000
III Tranche	March 11, 2021	60,000	5,000
IV Tranche	May14, 2021	5,000	5,000
V Tranche	July 30, 2021	40,000	40,000
VI Tranche	November 11, 2021	11,122	11,122
Total		**150,000**	**85,000**

2021 Plan
On April 22, 2021, the Ordinary Shareholders' Meeting approved the new 2021 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.
The Board of Directors approved a first tranche of beneficiaries with a grant of 48,878 options by a resolution dated 11 November, 2021.
These free option grants convey to the beneficiaries the right to acquire up to 300,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2021 Plan.

The Shareholders' Meeting of April 22, 2021, resolved to authorize, pursuant to and for the purposes of Article 2357 of the Italian Civil Code, the purchase, in one or more installments and for a period of 18 months from the date of the resolution, the purchase of up to 300,000 common shares (equal to 0.536% of the share capital), to service the new 2021 Stock Option Plan.
On July 30, 2021, the company announced the start of the treasury shares buy-back plan.

At December 31, 2021, stock options amounted to 48,878 (of which 18,878 stock options referred to the Parent Company).

Valuation of stock options
The stock options granted to Directors and employees are measured at their fair value on the grant date in accordance with the method provided in IFRS 2 and the total cost of the plan thus determined is allocated over the vesting period.

The fair value computation method uses a binomial model and is based on the following assumptions:

<u>A – Exercise Price</u>

The exercise price was determined in accordance with Article 6.2 of the Plan's Regulation.

<u>B – Stock Price</u>

The value assigned to the underlying instrument for stock option valuation purposes is the daily closing price for DiaSorin shares on the grant date.

<u>C – Expected Volatility</u>
The expected volatility of the underlying instrument measures the expected fluctuations in price/value over a given period of time. The measure of volatility used in the option pricing model used is the annualized standard deviation of the continuously compounded rates of return on an equity security over a period of time.

<u>D – Employee Exit Rate</u>

This rate, which reflects the probability that Directors or employees who are the recipients of stock option grants will leave the Company before the vesting date, was deemed to be 0%.

<u>E –Risk-Free interest rate</u>
IFRS 2 requires the use of a risk-free interest rate that will be valid over the expected life of the options, with the term expected life meaning the length of time between the grant date and the expected option exercise date.

<u>F – Dividend Yield</u>

The value of stock options is also affected by assumptions about the dividend yield, which is the annual dividend paid per share stated as a percentage of the share price.

The table below lists the input data used for stock option valuation purposes:

2016 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.000000000	€ 52.54	€ 52.25	€ 1.00	30.00%	0.00%	0.46%	1.70%	05/16/2016	05/16/2019
II Tranche	3.002739726	€ 56.31	€ 57.80	€ 1.00	30.00%	0.00%	0.14%	1.70%	08/04/2016	08/05/2019
III Tranche	3.002739726	€ 51.84	€ 53.65	€ 1.00	30.00%	0.00%	0.38%	1.70%	12/19/2016	20/12/2019
IV Tranche	3.005479452	€ 69.63	€ 73.05	€ 1.00	23.00%	0.00%	0.14%	1.50%	03/08/2017	04/08/2020
V Tranche	3.005479452	€ 70.05	€ 70.60	€ 1.00	23.00%	0.00%	0.33%	1.50%	03/07/2018	03/08/2021
VI Tranche	3.005479452	€ 82.42	€ 81.60	€ 1.00	25.00%	0.00%	0.44%	1.50%	11/07/2018	11/08/2021
VII Tranche	3.005479452	€ 86.04	€ 85.80	€ 1.00	25.00%	0.00%	0.25%	1.50%	3/14/2019	3/15/2022

2017 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.005479452	€ 78.47	€ 72.05	€ 1.00	23.00%	0.00%	-0.07%	1.50%	11/09/2017	11/10/2020
II Tranche	3.005479452	€ 70.05	€ 70.60	€ 1.00	23.00%	0.00%	0.14%	1.50%	03/07/2018	03/08/2021
III Tranche	3.008219178	€ 76.24	€ 78.30	€ 1.00	23.00%	0.00%	0.18%	1.50%	08/05/2018	05/10/2021
IV Tranche	3.005479452	€ 82.42	€ 81.60	€ 1.00	25.00%	0.00%	0.24%	1.50%	11/07/2018	11/8/2021
V Tranche	3.005479452	€ 86.04	€ 85.80	€ 1.00	25.00%	0.00%	0.12%	1.50%	03/14/2019	3/15/2022
VI Tranche	3.010958904	€ 95.35	€ 102.00	€ 1.00	25.00%	0.00%	-0.02%	1.50%	06/10/2019	6/13/2022
VII Tranche	3.005479452	€ 102.62	€ 105.00	€ 1.00	25.00%	0.00%	-0.24%	1.50%	07/31/2019	8/01/2022
VIII Tranche	3.005479452	€ 99.60	€ 104.30	€ 1.00	25.00%	0.00%	-0.08%	1.50%	11/06/2019	11/7/2022
IX Tranche	3.005479452	€ 119.28	€ 117.60	€ 1.00	25.00%	0.00%	-0.06%	1.50%	12/19/2019	12/20/2022
X Tranche	3.005479452	€ 110.44	€ 113.00	€ 1.00	25.00%	0.00%	-0.01%	1.50%	03/11/2020	3/13/2023
XI Tranche	3.005479452	€ 156.44	€ 172.50	€ 1.00	28.00%	0.00%	0.32%	1.50%	05/13/2020	5/15/2023
XII Tranche	3.002739726	€ 173.28	€ 167.50	€ 1.00	30.00%	0.00%	-0.17%	1.00%	07/30/2020	7/31/2023

2018 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	4.657534247	€ 76.24	€ 78.30	€ 1.00	23.00%	0.00%	0.49%	1.50%	05/08/2018	01/02/2023

2019 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.002739726	€ 173.28	€ 167.50	€ 1.00	30.00%	0.00%	-0.17%	1.00%	7/30/2020	7/31/2023
II Tranche	3.005479452	€ 189.05	€ 172.40	€ 1.00	30.00%	0.00%	-0.29%	1.00%	11/11/2020	11/13/2023

III Tranche	3.005479452	€ 186.15	€ 185.00	€ 1.00	34.00%	0.00%	-0.18%	1.00%	11/11/2021	11/12/2024

2020 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.005479452	€ 189.05	€ 172.40	€ 1.00	30.00%	0.00%	-0.29%	1.00%	11/11/2020	11/13/2023
II Tranche	3.002739726	€ 169.95	€ 171.70	€ 1.00	30.00%	0.00%	-0.30%	1.00%	12/21/2020	12/22/2023
III Tranche	3.005479452	€ 168.46	€ 144.30	€ 1.00	30.00%	0.00%	-0.23%	1.00%	3/11/2021	3/12/2024
IV Tranche	3.005479452	€ 145.50	€ 138.00	€ 1.00	34.00%	0.00%	-0.19%	1.00%	5/14/2021	5/15/2024
V Tranche	3.005479452	€ 164.23	€ 171.15	€ 1.00	34.00%	0.00%	-0.35%	1.00%	7/30/2021	7/31/2024
VI Tranche	3.005479452	€ 186.15	€ 185.00	€ 1.00	34.00%	0.00%	-0.18%	1.00%	11/11/2021	11/12/2024

2021 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.005479452	€ 186.15	€ 185.00	€ 1.00	34.00%	0.00%	-0.18%	1.00%	11/11/2021	11/12/2024

Based on the assumptions described above, the fair value of the 2016 Plan is equal to €2,504 thousand, with a vesting period that goes from May 16, 2016 to March 15, 2022. The fair value per option is as follows (amounts in €):

2016 PLAN	Number of options on the vesting date	Parent Company's options	Fair Value
V Tranche	4,699	-	13.30140
VI Tranche	7,000	-	16.34540
VII Tranche	25,000	-	17.16720

Based on the assumptions described above, the fair value of the 2017 Plan is equal to € 6,851 thousand, with a vesting period that goes from November 9, 2017 to July 31, 2023. The fair value per option is as follows (amounts in €):

2017 PLAN	Number of options on the vesting date	Parent Company's options	Fair Value
II Tranche	10,000	10,000	11.12670
IV Tranche	5,000	5,000	14.27840
V Tranche	10,000	10,000	14.45860
VI Tranche	10,000	10,000	19.70320
VII Tranche	65,000	15,000	18.19750
VIII Tranche	40,000	-	19.21230
IX Tranche	30,000	-	19.05680
X Tranche	5,000	5,000	19.91630
XI Tranche	20,000	20,000	39.85342
XII Tranche	29,492	11,122	33.54930

Based on the assumptions described above, the fair value of the 2018 Plan is equal to € 9,992 thousand, with a vesting period that goes from May 8, 2018 to January 2, 2023. The fair value per option is as follows (amounts in €):

2018 PLAN	Number of options on the vesting date	Parent Company's options	Fair Value
I Tranche	662,781	560,000	14.97060

Based on the assumptions described above, the fair value of the 2019 Plan is equal to € 3,350 thousand, with a vesting period that goes from July 30, 2020 to November 12, 2024. The fair value per option is as follows (amounts in €):

2019 PLAN	Number of options on the vesting date	Parent Company's options	Fair Value
I Tranche	8,878	8,878	33.54930
II Tranche	91,122	66,122	30.86690
III Tranche	5,000	5,000	47.91980

Based on the assumptions described above, the fair value of the 2020 Plan is equal to € 4,940, with a vesting period that goes from November 11, 2020 to November 12, 2024. The fair value per option is as follows (amounts in €):

2020 PLAN	Number of options on the vesting date	Parent Company's options	Fair Value
I Tranche	18,878	8,878	30.86690
II Tranche	15,000	15,000	36.82752
III Tranche	60,000	5,000	23.00490
IV Tranche	5,000	5,000	30.78703
V Tranche	40,000	40,000	43,.45004
VI Tranche	11,122	11,122	47.91980

Based on the assumptions described above, the fair value of the 2021 Plan is equal to € 2,342 thousand, with a vesting period that goes from November 11, 2021 to November 12, 2024. The fair value per option is as follows (amounts in €):

2021 PLAN	Number of options on the vesting date	Parent Company's options	Fair Value
I Tranche	48,878	18,878	47.91980

The cost attributable to 2021, which amounted to € 3,991 thousand was recognized in the income statement as part of labor costs and general and administrative expenses, with the offsetting entries posted to shareholder's equity.
The 2021 expense for stock options awarded to subsidiaries employees, equal to € 2,441 thousand, is recognized as increase in equity investments value with the offsetting entries posted to shareholder's equity.

28. Related-party transactions

In the normal course of business, DiaSorin S.p.A. engages on a regular basis in commercial and financial transactions with its subsidiaries, which are also Group companies. These transactions, which are executed on standard market terms, consist of the supply of goods and services, including administrative, information technology, personnel management, technical support and consulting services, which produce receivables and payables at the end of the year, and financing and cash management transactions, which produce income and expenses.

The impact of these transactions on the individual components of financial statements, which was already disclosed in separate income statement and statement of financial position schedules provided for this purpose, is summarized in the tables that follow.

(€ thousands)	Net revenues		Cost of sales		General & Administrative		Sales & marketing		Research & Development and Quality		Other operating income (expense)		Financial income (expense)	
Counterparty	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
DiaSorin S.A. - France	27,466	21,635	703	609	14	12	(114)	(225)	-	(2)	357	(841)	1,300	1,800
Diasorin Iberia S.A.	39,763	26,871	954	773	19	(137)	192	110	-	(1)	665	688	5	10
DiaSorin S.A./N.V - Benelux	21,537	19,376	432	196	31	26	25	31	-	-	432	490	2,800	2,599
DiaSorin Ltd - UK	10,668	10,414	386	194	16	4	12	23	-	-	(424)	261	585	1,415
DiaSorin Ireland Limited	-	-	-	(6)	-	-	-	-	-	(122)	-	(9)	(98)	(2)
DiaSorin Diagnostics Ireland Limited	-	-	-	-	-	-	-	-	-	-	-	-	388	9,297
DiaSorin I.N. Limited	-	-	(11,427)	(10,396)	-	-	-	-	-	-	-	-	633	830
DiaSorin IN.UK Limited	-	-	-	-	-	-	-	-	-	-	-	-	1	1
DiaSorin Deutschland GmbH	46,962	45,157	(15,366)	(11,285)	14	12	95	235	(334)	(291)	(885)	(2,263)	2,750	4,749
DiaSorin Austria GmbH	12,735	10,239	328	255	14	12	9	19	-	-	249	263	1,300	450
DiaSorin Switzerland AG	11,626	7,768	285	264	14	12	64	20	-	-	200	207	1,823	237
DiaSorin Poland sp. Z .o.o.	8,415	3,798	355	190	37	4	-	13	-	-	211	214	17	40
DiaSorin AB - Sweden	10,134	10,534	273	264	16	4	23	14	-	-	202	262	7	659
DiaSorin Czech s.r.o.	9,182	4,947	266	166	14	12	3	30	-	-	182	167	-	-
DiaSorin Slovakia s.r.o	1,799	1,585	124	104	14	12	3	-	-	-	72	77	6	9
DiaSorin Inc. - USA	78,621	71,705	(64,403)	(45,125)	-	5	(776)	188	(1,053)	170	4,394	2,598	6	42,289
DiaSorin Canada Inc	-	-	-	-	-	-	-	(6)	-	-	(97)	(90)	-	-
DiaSorin Ltda - Brazil	5,222	6,005	-	(21)	-	(1)	(4)	-	-	-	59	71	91	(498)
DiaSorin Mexico S.A de C.V.	3,434	4,258	(19)	-	-	4	(556)	(429)	-	-	147	206	87	41
DiaSorin Ltd - Israel	2,081	3,649	(1)	(2)	-	4	47	35	-	-	221	232	1,000	300
DiaSorin Ltd - China	37,226	24,558	236	(23)	2	-	(48)	(72)	-	(44)	(770)	(455)	240	3,830
DiaSorin Trivitron Healthcare Private Limited	3,378	1,667	(25)	(17)	5	-	-	-	-	-	30	25	-	-
DiaSorin South Africa (PTY) Ltd	-	-	-	(185)	-	-	-	-	-	-	-	242	-	-
DiaSorin APAC Pte Ltd	-	-	-	-	-	-	-	-	-	-	(711)	(803)	-	-
DiaSorin Australia (Pty) Ltd	6,730	5,318	(55)	(31)	20	4	69	162	-	-	243	241	2	14
DiaSorin Molecular LLC	17,355	9,491	(28,683)	(21,351)	3	32	84	(2)	3,257	1,011	928	1,060	-	-
Luminex Corporation	-	-	-	-	131	-	(522)	-	(23)	-	-	-	-	-
Total Group companies	**354,335**	**288,976**	**(115,638)**	**(85,427)**	**363**	**20**	**(1,394)**	**145**	**1,847**	**722**	**5,703**	**2,843**	**12,942**	**68,070**
Executives with strategic responsibilities	-	-	-	-	(7,911)	(6,715)	-	-	-	-	-	-	-	-

Directors	-	-	-	-	(995)	(995)	-	-	-	-	-	-	-	-
Other related parties	-	-	-	-	(8,906)	(7,710)	-	-	-	-	-	-	-	-
Total Group companies and other related parties	**354,335**	**288,976**	**(115,638)**	**(85,427)**	**(8,543)**	**(7,690)**	**(1,394)**	**145**	**1,847**	**722**	**5,703**	**2,843**	**12,942**	**68,070**
As a percentage on line items	**60.8%**	**61.4%**	**38.0%**	**35.3%**	**20.3%**	**20.9%**	**3.7%**	**-0.4%**	**7.7%**	**2.6%**	**70.3%**	**191.6%**	**-99.4%**	**108.9%**

(€ thousands)	Trade receivables		Current financial receivables		Non-current financial receivables		Trade payables		Current financial payables	
Counterparty	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
DiaSorin S.A. - France	5,733	4,389	-	-	-	-	(7)	(564)	(4,437)	(2,541)
Diasorin Iberia S.A.	14,922	10,707	2,416	2,239	-	-	(197)	(153)	(10,060)	(2,699)
DiaSorin S.A./N.V - Benelux	6,887	4,881	-	-	-	-	(8)	-	(7,274)	(7,811)
DiaSorin Ltd - UK	4,315	3,987	1,947	776	-	-	(226)	-	(5,509)	(3,338)
DiaSorin Ireland Limited	-	-	-	-	-	-	-	(96)	(19,853)	(19,835)
DiaSorin I.N. Limited	-	-	-	-	26,567	37,267	(2,940)	(3,145)	(507)	(2,067)
DiaSorin Diagnostics Ireland Limited	-	-	-	28	-	-	-	-	-	(6,233)
DiaSorin IN.UK Limited	-	-	-	298	-	-	-	-	(7,960)	(8,287)
DiaSorin Deutschland GmbH	10,154	7,172	-	-	-	-	(3,555)	(4,794)	(10,553)	(5,189)
DiaSorin Austria GmbH	3,995	2,582	-	-	-	-	-	(8)	(4,730)	(2,973)
DiaSorin Switzerland AG	6,478	2,679	-	-	-	-	-	-	(5,551)	(2,219)
DiaSorin Poland sp. Z .o.o.	3,470	1,675	392	397	783	1,184	(3)	-	(2,816)	(481)
DiaSorin AB - Sweden	2,755	3,274	43	1,256	-	-	-	-	(5,334)	(6,615)
DiaSorin Czech s.r.o.	2,955	1,187	-	-	-	-	-	-	(2,874)	(391)
DiaSorin Slovakia sro	324	319	137	275	412	686	-	(1)	(80)	(55)
DiaSorin Inc. - USA	6,826	10,786	2	-	2,633	3,009	(23,089)	(11,205)	-	-
DiaSorin Canada Inc	-	-	-	-	-	-	(25)	(45)	-	-
DiaSorin Ltda - Brazil	2,385	3,146	559	59	-	1,775	-	(1)	-	-
DiaSorin Mexico S.A de C.V.	2,558	2,424	811	386	577	912	(185)	(67)	-	-
DiaSorin Ltd - Israel	604	2,011	-	-	-	-	-	-	-	-
DiaSorin Ltd - China	9,677	7,593	240	-	13,866	-	(636)	(281)	-	-
DiaSorin Trivitron Healthcare Private Limited	2,273	2,932	-	-	-	-	(72)	(46)	-	-
DiaSorin South Africa (PTY) Ltd	0	-	-	-	-	-	(2)	(5)	-	-
DiaSorin APAC Pte Ltd	-	-	-	-	-	-	(78)	(110)	-	-
DiaSorin Australia (Pty) Ltd	1,551	1,018	-	299	-	-	(5)	(32)	-	-
DiaSorin Molecular LLC	20,076	14,174	-	-	-	-	(915)	(3,508)	-	-
DiaSorin Middle East FZ-LLC	-	-	53	-	-	-	(11)	-	-	-
Luminex Corporation	151	-	-	-	-	-	(436)	-	-	-
Luminex Molecular Diagsnostcs INC	-	-	-	-	-	-	(156)	-	-	-

Total Group companies	**108,089**	**86,937**	**6,600**	**6,013**	**44,839**	**44,835**	**(32,545)**	**(24,061)**	**(87,538)**	**(70,735)**
Executives with strategic responsibilities	-	-	-	-	-	-	-	-	-	-
Directors	-	-	-	-	-	-	-	-	-	-
Other related parties	-	-	-	-	-	-	-	-	-	-
Total Group companies and other related parties	**108,089**	**86,937**	**6,600**	**6,013**	**44,839**	**44,835**	**(32,545)**	**(24,061)**	**(87,538)**	**(70,735)**
As a percentage on line items	**69.2%**	**54.9%**	**100.0%**	**100.0%**	**106.2%**	**100.0%**	**40.8%**	**30.1%**	**98.6%**	**84.7%**

29. Significant events occurring after December 31, 2021 and business outlook

No significant events occurred after December 31, 2021.

The Company does not expect material negative impacts deriving from the conflict between Ukraine and Russia, as it is not significantly exposed in such area

30. Non-recurring significant events and transactions

According to the ESMA Communication no. n. 32-63-1186 of 29 October 2021, the following non-recurring transactions are provided:

- the Luminex Group transaction widely described in this Report;
- the approval by DiaSorin's Board of Directors, on December 16, 2021, of a project to redefine its corporate structure with the main objective of making its corporate structure consistent with the organizational evolution and with the multinational nature of the Group.
  This reorganization will be implemented through the transfer of the DiaSorin business unit relating to the operating activities conducted in Italy and the United Kingdom in favor of a newly established company.

31. Transactions resulting from atypical and/or unusual activities

In 2021, there were no transactions resulting from atypical and/or unusual activities, as defined in the Consob Communication dated July 28, 2006 (see the definition provided in the Financial Statement Presentation Format section of this Report).

32. Other information

Law no. 124 of 4 August 2017 (the Annual Market and Competition Law) defined that, as from 2019, companies receiving grants, financial support, remunerated duties and any kind of economic benefits from Public Administrations and similar bodies are required to publish such amounts in the Note to the financial statements and consolidated financial statements.

In 2021, the Company did not receive financial support or economic benefits from Public Administration in accordance with the aforementioned Law; for additional details that may apply, reference is made to documentation submitted by lending entities at the National Registry of State Aids.

This translated version of the financial statements constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. The financial statement has been translated into the English language solely for the convenience of international readers.

10. ANNEX III: DISCLOSURE REQUIRED PURSUANT TO ARTICLE 149-DUODECIES OF THE CONSOB ISSUERS' REGULATIONS

(€ thousands)	**Party providing the service**	**Recipient**	**Fee attributable to 2021**

Independent Auditing	PricewaterhouseCoopers S.p.A.	Group's Parent company- Diasorin S.p.A.	574
Other services	PricewaterhouseCoopers S.p.A.	Group's Parent company- Diasorin S.p.A.	252
Total			**826**

11. CERTIFICATION OF THE STATUTORY FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF MAY 14, 1999, AS AMENDED

1. We, the undersigned, Carlo Rosa, in my capacity as Chief Executive Officer, and Piergiorgio Pedron, in my capacity as Corporate Accounting Documents Officer, of the issuer DiaSorin S.p.A.,

attest that,

insofar as the provisions of Article 154-*bis,* Sections 3 and 4, of Legislative Decree No. 58 of February 24, 1998 are concerned, the administrative and accounting procedures applied to prepare the 2021 statutory financial statements are:

a) adequate in light of the Company's characteristics; and

b) were applied effectively.

2. Moreover, we attest that:

2.1 the statutory financial statements at December 31, 2021:

a) were prepared in accordance with the applicable international accounting principles recognized by the European Union, pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council dated July 19, 2002;

b) are consistent with the data in the supporting documents and accounting records;

c) are suitable for the purpose of providing a truthful and fair representation of the balance sheet, operating performance and financial position of the issuer;

2.2 the Report on Operations provides a reliable analysis of the performance and result from operations and of the status of the issuer, together with a description of the main risks and uncertainties to which they are exposed.

Saluggia, March 16, 2022

Signed:

Carlo Rosa	Piergiorgio Pedron
Chief Executive Officer	Corporate Accounting Document Officer

2021 REPORT OF THE BOARD OF STATUTORY AUDITORS

TO THE SHAREHOLDERS' MEETING, PURSUANT TO ARTICLE 153 OF LEGISLATIVE DECREE NO. 58/1998 AND ARTICLE 2429, SECTION 2, OF THE ITALIAN CIVIL CODE

Dear Shareholders,

In the year ended December 31, 2021, consistently with the requirements of Article 149 of Legislative Decree no. 58/98 (TUF) and pursuant to Article 2403 of the Italian Civil Code, the Board of Statutory Auditors of DiaSorin S.p.A. carried out its oversight activities, performing its work in accordance with the principles of conduct recommended by the National Board of Certified Public Accountants and Accounting Experts and consistent with the Consob communications concerning corporate controls and activities of the Board of Statutory Auditors (specifically communication no. DAC/RM 97001574 of 20 February 1997 and communication no. DEM 1025564 of 6 April 2001, subsequently integrated with communication no. DEM/3021582 of 4 April 2003 and communication no. DEM/6031329 of 7 April 2006), taking into account the recommendations set forth in the Corporate Governance Code and, where provided, in the new Corporate Governance Code approved in January 2020 and promoted by the Corporate Governance Committee.

In addition, considering that DiaSorin S.p.A has adopted the traditional governance framework, the Board of Statutory Auditors also fulfils the role of "Internal Control and Audit Committee", which is responsible for carrying out further specific controls and oversight over financial reporting and statutory auditing, as detailed in art. 19 of Legislative Decree 39 of 27 January 2010, as amended by Legislative Decree 135 of 17 July 2016.

The current Board of Statutory Auditors – appointed on 24 April 2019 by the Shareholders' Meeting of DiaSorin S.p.A (hereinafter, the Company) for the 2019-2021 term, i.e., until the date of the Shareholders' Meeting called to approve the Financial Statements at December 31, 2021– is composed of:

• Statutory Auditors: Monica Mannino (Chairman), Ottavia Alfano, Matteo Sutera;

• Alternate Auditors: Cristian Tundo, Romina Guglielmetti.

Pursuant to Article 144-quinquiesdecies of the Issuers' Regulations, approved by the Consob with Resolution No. 11971/99, as amended, a list of the posts held by members of the Board of Statutory Auditors at companies such as those listed in Volume V, Title V, Chapters V, VI and VII, of the Italian Civil Code, has been published by the Consob on its website (www.consob.it).

Art. 144-quaterdecies of the Issuers' Regulations (disclosure obligations to Consob) provides that whoever holds the position of member of the control body of a single issuer is not subject to the disclosure requirements laid down in said article and, therefore, is excluded from the lists published by the Consob.

The Company reports in the Report on Corporate Governance and Ownership Structure the main offices held by the members of the Board of Statutory Auditors.

The Board here acknowledges that all its members comply with the aforementioned Consob regulatory provisions concerning the "limits on the number of posts held".

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In 2021, in carrying out the activities under its jurisdiction, the current Board of Statutory Auditors declares that:

- it attended the Shareholders' Meetings on 22 April 2021 and 4 October 2021 and all the meetings of the Board of Directors and obtained from Directors adequate information, at least on a quarterly basis, about the Company's operating performance and business outlook, as well as about any transactions that qualified as particularly significant in terms of size or characteristics carried out by the Company and its subsidiaries;
- it obtained the information necessary to perform the activities required to monitor compliance with the law, the Bylaws, the principles of sound management, the adequacy and effectiveness of the Company's organization through documents and information obtained from relevant Company departments, and with the support of PricewaterhouseCoopers S.p.A. (hereinafter the "Independent Auditors") with whom the Board of Statutory Auditors exchanged data and information on an ongoing basis;
- it attended, through its Chairman or another member of the Board of Statutory Auditors, the meetings of the Control, Risks and Sustainability Committee, the Compensation and Nominating Committee, and the Committee for Related-Party Transactions;
- it monitored the functioning and effectiveness of the Company's internal control system and the adequacy of the administrative and accounting system, specifically its reliability in presenting fairly the results from operations;
- it promptly exchanged significant data and information with the Independent Auditors in charge of statutory audit, pursuant to Legislative Decree no. 58/1998 and Legislative Decree no. 39/2010, to discharge their respective duties, as required by Article 150 of the TUF, also by examining the results of work performed and receiving the reports as envisaged by Article 14 of Legislative Decree 39/2010 and Article 11 of EU Regulation 537/2014;
- it examined the contents of the additional Report pursuant to Article 11 of EU Regulation 537/2014, and no aspects emerged that should be reported therein;

- it monitored the operational effectiveness of the control system for Group companies and the adequacy of instructions the Group companies shall follow, pursuant to Article 144, paragraph 2 of the TUF;
- it verified the drawing up of the Remuneration Report, as required pursuant to Article 123-ter of the TUF and Article 84-ter of the Issuers' Regulations, and has no comment to submit in this regard;
- it monitored the specific procedures to implement the corporate governance rules adopted by the Company in compliance with the new Corporate Governance Code;
- it checked, in relation to the periodic assessment to be carried out pursuant to art. 4 of the new Corporate Governance Code, as part of the oversight activity on the procedures for effective implementation of the corporate governance rules, the correct application of the assessment criteria and procedures adopted by the Board of Directors, with regard to the positive assessment of the independence of Directors;
- it ensured that the internal procedure concerning Transactions with Related Parties was consistent with the principles envisaged by the Consob Regulation adopted by means of Resolution no. 17221 dated March 12, 2010 and subsequent amendments and that the abovementioned procedure was being complied with Article 4, Paragraph 6 of the Regulation;
- it verified that the Company acted in compliance with the requirements of the European Regulation concerning Market Abuse (referred to as MAR) and treatment of inside information and the procedure adopted by the Company on this matter;
- it monitored the corporate disclosure and verified that directors act in compliance with the procedural rules governing the drawing up, approval and publication of the separate and consolidated financial statements;
- it assessed the methodological adequacy of the impairment tests to determine whether the Company's goodwill and/or assets recorded on the balance sheet were impaired;
- it verified that the Report of the Board of Directors on Operations complied with current regulations and was consistent with the resolutions approved by the Board of Directors and the facts presented in the separate and consolidated financial statements;
- it examined the content of the consolidated Semi-annual Report at 30 June 2021 - without any comment to be submitted - and verified that the Report was publicly disclosed in the manner required pursuant to law;
- as regards additional information to be published on a regular basis in accordance with Article 82-ter of the Issuers' Regulations it was informed that the Company continued to publish, on

a voluntary basis and through press releases, the main consolidated economic- financial statements and updates on operations on a quarterly basis;

- it also acted as Internal Control and Audit Committee, pursuant to Article 19, paragraph 1 of Legislative Decree 39/10 as amended by Legislative Decree 135/16, and in this capacity performed the specific information, monitoring, control and review activities specified therein, discharging all the duties and tasks laid out in the abovementioned regulation;
- it supervised compliance with the provisions laid out in Legislative Decree 254/2016 examining, among others, the Consolidated Non-Financial Statement included in the Annual Financial Report ascertaining compliance with the provisions regulating its drawing up, pursuant to the abovementioned Decree.

Furthermore, as specified by the Board of Directors in the Financial Report (paragraph "Risks related to general economic conditions"), the analyzes carried out within the DiaSorin Group did not reveal any significant uncertainties and risks connected to Covid-19 such as to jeopardize business continuity. In 2021, despite the ongoing COVID-19 pandemic, DiaSorin continued its research, manufacturing and distribution activities without disruptions in all the Group sites, in compliance with the provisions intended to ensure its employees' safety. In paragraph "Significant events occurring after December 31, 2021 and business outlook", with reference to impacts deriving from the conflict between Ukraine and Russia and the need of providing as much information as possible on both qualitative and quantitative basis, on the current and foreseeable, direct and indirect effects of the crisis, the Board of Directors assessed that the Company does not expect material negative impacts, as it is not significantly exposed in such area.
In this regard, to the extent of our competence, also for the current year the oversight activity will be carried out to ascertain the adequacy of the governance actions that the Board of Directors deems appropriate to adopt in support and protection of the corporate assets and business continuity and regarding the safety of workplaces and employees.

In the course of its oversight activities, which the Board of Statutory Auditors carried out in the manner described above, no irregularities were found indicating failure to comply with the law and the Company's Bylaws or otherwise requiring disclosure to the Oversight Board or mention in this Report.

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The additional disclosures required by Consob Communication no. DEM/1025564 of 6 April 2001 and subsequent amendments are provided hereinafter.

I. Information on the main economic, financial and assets transactions carried out by the Company and its subsidiary were adequate. The main operations carried out in 2021 were analyzed in detail in the Report on Operations, to which reference is made, and disclosed to the market, pursuant to the law.

On the basis of the information supplied by the Company and data provided regarding the transactions described above, the Board of Statutory Auditors assessed the compliance of the foregoing transactions with the law, the Company's Articles of Incorporation and the principles of sound management, making sure that these were not manifestly imprudent or reckless, potentially entailing conflicts of interest and in violation with the Shareholders' Meetings' resolutions or such as to compromise the integrity of the Company's assets.

With reference to the information related to "Significant non-recurring events and transactions" which occurred during the year, pursuant to ESMA Communication no. 32-63-1186 of 29 October 2021, the acquisition of the Luminex Group – as described in paragraph "Business Combinations", to which reference is made - falls within the non-recurring transactions.

II. In the course of its oversight activities, the Board of Statutory Auditors did not identify any atypical and/or unusual operation carried out with third parties, Group companies or related parties. Information disclosed in the Annual Report concerning significant events and transactions and any atypical and/or unusual transactions, including infra-group and related - party transactions, is adequate and complies with current law and regulation.

III. The characteristics of infra-group and related-party transactions carried out by the Company and its subsidiaries in 2021, the parties involved and their financial effects are explained in the Note 28 of the Consolidated Financial Statements and in the Note 28 of the Statutory Financial Statements, to which reference is made. The Company engages on a regular basis in commercial and financial transactions with its subsidiaries. These transactions, which are carried out within the framework of normal company activities, are executed on standard market terms. The Board of Statutory Auditors believes that the information provided concerning the aforementioned transactions is overall adequate and, based on data acquired, deemed said transactions to be fair and in the Company's interests.

Related-Party transactions, which are identified on the basis of the international accounting standards and the directives issued by the Consob, are governed by an internal procedure (hereinafter the "Procedure"), which was amended by the Board of Directors on 14 May 2021, following the favorable opinion of the Committee for Related-Party Transactions on 12 May 2021.

The Board of Statutory Auditors reviewed the Procedure ascertaining its compliance with Consob Regulation no. 17221 of March 12, 2010 and with Consob Market Regulation 20249/2017.

For the abovementioned transactions, the Board of Statutory Auditors verified that the Procedure was being correctly applied.

IV. On 7 April 2022, the Independent Auditors issued the reports required by Articles 14 and 16 of Legislative Decree no. 39/2010 and by Article 10 of the EU Regulation no. 537/2014, certifying that:

- the separate financial statements of the Company and the consolidated financial statements of the Group at December 31, 2021 provide a true and fair view of the balance sheet, the income and cash flows for the year ending at that date, in compliance with IAS/IFRS international accounting standards.
- the Report on Operations and information referred to in Article 123-*bis* of the TUF included in the Report on Corporate Governance and the Company's Ownership Structure are consistent with the Company's financial statements and the Group's consolidated financial statements and prepared in compliance with the law;
- the opinion on the separate and consolidated financial statements expressed in the aforementioned Reports is in line with what specified in the additional Report prepared pursuant to Article 11 of EU Regulation no. 537/2014.
- The financial statements comply with the provisions of Delegated Regulations (EU) 2019/815 on the European Single Electronic Format (ESEF) as they were prepared in XHTML format and compiled in all material ways.

In the Independent Auditors' Report on the Consolidated Financial Statements, the Independent Auditors verified, for all aspects falling within its competence, the 2021 Non-Financial Statement. The Independent Auditors also issued a Report confirming the compliance, with regard to all significant aspects, with the provisions of Legislative Decree no. 254/2016 and of Article 5 of the Consob Regulation no. 20267/2018, and with principles and methods specified by the GRI Standards adopted by the Company. In this Report, the Independent Auditors declared that no elements had come to their attention that would suggest that the Consolidated Non- Financial Statement was not drafted in compliance with the law.

The aforementioned Independent Auditors' Reports contained no qualifications or requests for additional disclosures pursuant to Article 14, paragraph 2, letter d) nor statements made pursuant to Article 14, paragraph 2, letter e) and f) of Legislative Decree no. 39/10.

On that date, the Independent Auditors sent the additional Report to the Board of Statutory Auditors, in its role as Internal Control and Audit Committee, presenting the results of the statutory audit, the elements used in planning and implementing the auditing process, the methodological choices and the observance of ethical principles, pursuant to Article 11 of EU Regulation no. 537/2014. As stated in the opinion on the Financial Statements, this report addresses certain matters, without contradicting the opinions in question. It should be mentioned here that, in addition to the significant matters identified as “key aspects of the audit”, in the aforementioned reports on the Separate and Consolidated Financial Statements there are no significant deficiencies in the internal control system in relation to the financial reporting process worthy of being brought to the attention of the managers responsible for " governance " activities.

During the meetings held with the Independent Auditors, the Board of Statutory Auditors did not receive disclosures from the Independent Auditors on facts deemed objectionable identified in the performance of their auditing activities on the financial statements and the consolidated financial statements.

During the year, on the basis of the information provided by the independent Auditors, the Company and some of its subsidiaries assigned duties to the Independent Auditors and the parties belonging to its network (PWC network) for services other than auditing provided to the Company and to some of the Group companies.

During the year, an audit assignment was also conferred to parties outside the PWC network for the Mexican subsidiary.

Compensation and fees for the services provided - including duties assigned in 2021, - by the Independent Auditors or by parties belonging to its network in favor of DiaSorin and the Group’s subsidiaries are reported in the Company’s consolidated financial statements as required by Article 149- duodecies of the Issuers’ Regulations, in the Annex II of the Report on the consolidated financial statements and Annex III of the Report on the separate financial statements. Fees include the activities related to the auditing of the Non-Financial Statement and ESEF financial statements. Services other than auditing refer to revenue recognition activities in Germany and Belgium. For the Parent Company, the Independent Auditors also certified the Research and Development costs statement for the purposes of the tax credit, certified the pro-forma consolidated statement of financial position at 31 December 2020 and the consolidated income statements at 31 December 2020 and related explanatory notes and issued a report pursuant to article 2441, paragraph 4, of the civil code. The Board of Statutory Auditors, in its role as Internal Control and Audit Committee, fulfilled the obligations laid out in Article 19, paragraph 1, letter e) of Legislative Decree 39/2010 (as amended by Legislative Decree

135/2016) and in Article 5, paragraph 4 of EU Regulation 537/2014 on the prior approval of the aforementioned tasks, verifying their compatibility with current regulations and, specifically, with the provisions of article 17 of Legislative Decree no. 39/2010 and subsequent amendments - and with the prohibitions pursuant to Article 5 of the Regulation referred to therein.

The Board of Statutory Auditors reports that the assessment process for services to be assigned to Independent Auditors and to its Network by the Company and its subsidiaries is governed by an "Internal procedure for the approval of services to be assigned to the Independent Auditors and to its network "which has the objective of ensuring that the independence requirement of the Independent Auditors is met and of regulating the aforementioned assessment process.

In addition, the Board of Statutory Auditors:

a) verified and monitored the independence of the Independent Auditors, pursuant to Articles 10, 10-*bis*, 10-*ter*, 10-*quater* and 17 of Legislative Decree no. 39/2010 and Article 6 of EU Regulation 537/2014, ascertaining compliance with the regulations in force on the matter and that the services other than auditing assigned to that company did not generate potential risks for the auditor's independence and for the safeguards, pursuant to Article 22-ter of Directive 2006/43/EC;
b) examined the transparency report and the additional Report prepared by the Independent Auditors in compliance with the criteria set out in the EU Regulation 537/2014, pointing out that, on the basis of the information obtained, no critical aspects emerged regarding the independence of the Independent Auditors;
c) received the written confirmation, pursuant to Article 6, paragraph 2. letter a) of EU Regulation 537/2014 pursuant to which, from January 1, 2021 until the moment the statement was issued, the Independent Auditors did not find evidence that could affect its independence, pursuant to Articles 10 and 17 of Legislative Decree no. 39/2010 and Articles 4 and 5 of EU Regulation 537/2014;
d) discussed with the Independent Auditors about risks for its independence and the measures it adopted to mitigate such risks, pursuant to Article 6, paragraph 2, letter b) of EU Regulation no. 537/2014.

V. In 2021, the Board of Statutory Auditors was not informed of any complaints or negative remarks by shareholders or third parties, pursuant to Article 2408 of the Italian Civil Code.

VI. In the course of 2021, the Board of Statutory Auditors issued its opinions in all those cases it has been called for by the Board of Directors, in accordance with the provisions requiring the prior consultation of the Board of Statutory Auditors.

The Board of Statutory Auditors, insofar as issues under its jurisdiction are concerned, reviewed the proposals made - based on the input of the Compensation and Nominating Committee - with regard to the remuneration policy and its implementation.

The compensation system which was set in accordance with the recommendations of the Compensation and Nominating Committee, is based on the award of compensation that includes a fixed component and a variable component tied to the economic results achieved at the Group level in connection with the attainment of specific targets, in addition to the Company's Stock Options plans and Long Term Incentive plans granted to key directors, including Strategic Executives, as illustrated in the Remuneration Report that will be available on the Company's website, pursuant to article 123-ter of the TUF.

The Compensation and Nominating Committee verified that the remuneration is in line with market value.

The Board of Statutory Auditors held 14 meetings in 2021, in order to obtain the information needed to carry out its oversight activity. The activities performed on those occasions were documented in the minutes of the meetings. Furthermore, the Board of Statutory Auditors attended all 9 meetings held by the Company's Board of Directors, 3 meetings held by the Control, Risks and Sustainability Committee, 4 meetings held by the Compensation and Nominating Committee and 2 meetings held by the Committee for Related-party Transactions and 2 meetings held by the Shareholders' Meeting.

VII. The Board of Statutory Auditors monitored compliance with the law, the Company's Articles of Incorporation and with the principles of sound management, ensuring that all transactions approved and executed by the Board of Directors complied with the aforementioned rules and principles, were financially sound, were not manifestly imprudent or reckless, did not give rise to potential conflicts of interest, were not in conflict with resolutions approved by the Shareholders' Meeting and did not compromise the integrity of the Company's assets. The Board of Statutory Auditors believes that tools and governance systems adopted by the Company provide adequate assurance that the principles of sound management are being followed.

VIII. The Board of Statutory Auditors monitored the adequacy of the organizational structure of the Company and the Group by examining the Company's administrative structure and exchanging data and information with the managers of the various Company's functions, the Internal Audit function and the Independent Auditors.

The organizational structure of the Company and of the Group is defined by the Chief Executive Officer and implemented through a system of internal communications, by which the managers of the various departments and business units were appointed and to whom powers were delegated, consistent with the assigned responsibilities. Based on the oversight activities carried out and no critical aspects having been identified, the Company's organizational structure is adequate in relation to the Company's purpose, characteristics and size.

IX. In monitoring the adequacy and effectiveness of the internal control system, pursuant to Article 19 of Legislative Decree no. 39/2010, the Board of Statutory Auditors met regularly with the Internal Audit function and other Company functions and with the Control, Risks and Sustainability Committee and the Oversight Board, pursuant to the organizational model envisaged by the Legislative Decree no. 231/2001 adopted by the Company (the "231 Model"). The Board of Statutory Auditors found that the Company's Internal Control and Risk Management System is based on a structured and organic set of rules, procedures and organizational structures designed to prevent or minimize the impact of unexpected results and allow the achievement of the Company's strategic and operating objectives (i.e. consistency of its activities with the desired objectives, effectiveness and efficiency in conducting its operations and protecting corporate assets), compliance with applicable laws and regulations, and accurate and transparent internal and market reporting.

The guidelines of this system have been defined by the Board of Directors, with the support of the Control, Risks and Sustainability Committee. The Board of Directors assesses its adequacy and correct functioning, at least on an annual basis, with the support of the Internal Audit function and the Control, Risks and Sustainability Committee. The Company's Internal Audit Function operates on the basis of an annual plan which defines the activities and processes to be audited under a risk-based approach.

The plan is approved annually by the Board of Directors after receiving the favorable opinion of the Control, Risks and Sustainability Committee and was reviewed and approved by the Board of Directors in the meeting held on 5 March 2021.

On the basis of the activities carried out, information acquired, the contents of the Report of the Internal Audit Function, the Board of Directors believes there are no such critical elements as to affect the controls and risks management system's set-up. In relation to the effectiveness of the Internal Control and Risk Management System - in charge of safeguarding corporate assets, and ensuring the efficiency and efficacy of corporate processes, the reliability of information provided and compliance with laws, the company Bylaws and with the internal procedures - we have assessed the appropriateness of the Management Control System, finding that the related planning process is supported by adequate information systems and procedures that make it possible to reliably reconcile the main economic and financial information with the results of the information systems used within the individual subsidiaries.

The Company, as well as the Group's companies, uses additional tools to monitor progress toward the achievement of operational and compliance objectives, including a structured and periodic planning, management control and reporting system, a system to manage Company risks in accordance with the Enterprise Risk Management (ERM) principles, and the accounting control Model required by Law No. 262/2005 in the area of financial disclosures. The Company adopted the 231 Model that, together with the Group's Code of Conduct, aimed at preventing the illicit behaviors referred to in the Decree and, consequently, protect the Company from administrative liability. The Oversight Board supervised the functioning and observance of the 231 Model assessing its adequacy pursuant to Legislative Decree no. 231/2001 - monitoring the evolution of the relevant regulations, the implementation of staff training initiatives and compliance with the Protocols by their Recipients, also through audits conducted with the support of the Internal Audit function. In the area of internal dealing, in addition to the obligations that already exist pursuant to the regulations concerning market abuse, the Procedure was updated on 14 March 2019 to comply with the amendments made by Consob to the Issuers' Regulations with Resolution no. 19925 of 22 March 2017 and to take into account the amendments to the TUF by Legislative Decree 107/2018: the Company has regulated the obligation to abstain from carrying out transactions on financial instruments issued by the Company and listed on regulated markets as required by law currently in force. The Procedure for the internal management of Relevant Information and Inside Information and the public disclosure of Inside Information was amended by the Board of Directors on 21 December 2020 in order to establish, in accordance with the recommendations contained in the CONSOB Guidelines, a register referring to the relevant information, the so-called "Relevant Information List", with the aim of tracing the stages leading up to the disclosure of inside information, identifying and monitoring that type of information that the issuer deems to be relevant, as it relates to data, events, projects or circumstances that may, in a second moment, take on an inside nature. In relation to the 2021 financial year, in compliance with the provisions of criterion 7.C.1 of the Code and art. 6, Recommendation 33, of the Corporate Governance Code and on the basis of the available information and evidence collected with the support of the preparatory work of the Control, Risks and Sustainability Committee, the Board of Directors carried out an overall assessment on the Internal Control and Risks Management System, including procedures for coordination among the parties involved in the System, concluding that it was adequate for the purpose of providing a reasonable certainty that the mapped risks are properly managed. In the opinion of the Board of Statutory Auditors, based on the information obtained, the Internal Control and Risks Management System is adequate, effective and effectively implemented.

X. The Board of Statutory Auditors monitored the effectiveness and functioning of the administrative and accounting system and its reliability in presenting fairly the results from operations, by obtaining information from the managers of the relevant departments, examining company documents and analyzing the results of the work carried out by the Independent Auditors. The Corporate Accounting Documents Officer was assigned jointly the functions required by law and was provided with sufficient authority and resources to discharge his duties. Furthermore, the Chief Executive Officer, acting through the Corporate Accounting Documents Officer, is responsible for implementing "the accounting control Model required by Law No. 262/2005", the purpose of which is to establish the guidelines that must be applied within the DiaSorin Group to satisfy the obligations set forth in Article 154-*bis* of the TUF with regard to the preparation of corporate accounting documents and comply with the resulting certification requirements. The preparation of accounting disclosures and of statutory and consolidated financial statements is governed by the Group Accounting Manual and by the other administrative and accounting procedures that are part of the Model adopted pursuant to Law No. 262/2005.

The Model as referred to in Law No. 262/2005 formalizes the procedures regulating the impairment test in compliance with the IAS 36 accounting standard.

The Company has made use of an independent external consultant for the impairment tests of goodwill and intangible assets recognized in the consolidated financial statements at 31 December 2021. Given the recommendations of the European Securities and Markets Authority ("ESMA") that intend to provide greater transparency about the methods adopted by listed company to test goodwill and intangible assets for impairment, and in line with the recommendations of Banca d'Italia- Consob- Isvap joint document no. 4 of 3 March 2010 and in light of the Consob's guidelines, the compliance of the impairment test with the requirements of the international accounting standard IAS 36 was expressly approved by the Company's Board of Directors on 16 March 2022, after receiving the favorable opinion of the Control, Risks and Sustainability Committee. The Board of Statutory Auditors monitored the compliance with the disclosure requirements issued by CONSOB through warning notice 1/21 of 16 February 2021 and with ESMA's document issued on 28 October 2020 and monitored the impairment process.

A more complete description of the methods and assumptions applied is provided in the related note of the Consolidated Financial Statements. The Board of Statutory Auditors having monitored the financial information reporting process by obtaining information from the Company managers found that, overall, the Company's administrative and accounting system is adequate and reliable in presenting fairly the results from operations.

XI. The Board of Statutory Auditors monitored the adequacy of the instructions provided by the Company to its subsidiaries pursuant to Article 114, paragraph 2, of the TUF determining, based on the information provided by the Company, that these instructions were suitable for providing the information needed to comply with statutory disclosure requirements, without any exception.

XII. The Board of Statutory Auditors monitored the process adopted to ensure the concrete implementation of the Corporate Governance rules set forth in the current Corporate Governance Code with the support of the Corporate Legal Affairs Department, taking also into account the inclusion in the FTSE MIB Index.

The Report on Corporate Governance and the Company's Ownership Structure expresses clearly the recommendations that have not been adopted by the Board of Directors, explaining the reason for that choice and describing any alternative behavior that may have been adopted.

XIII. The Company's Board of Directors consists of 15 directors, 8 of whom are independent directors. Its composition complies with the rules on gender balance.

In 2021, the Board of Directors performed an assessment process with regard to the size, composition and functions of the Board itself and its Committees, the results of which were presented at the meeting of the Board of Directors held on 16 March 2022 and described in the Report on Corporate Governance and the Company's Ownership Structure. The Board of Statutory Auditors was informed of the assessment outcomes shared with the Lead Independent Director and the Independent Directors regarding the recommendations set forth in the VIII Annual Report of the Corporate Governance Committee on the application of the Corporate Governance Code of Borsa Italiana (see point 4.3 of the 2020 Report on Corporate Governance and Ownership Structure). Pursuant to Article 4, Principle XIV, Recommendations 21 and 22 of the Corporate Governance Code the Board, on the basis of a specific questionnaire divided into different areas of investigation and with the possibility of expressing comments and proposals, in 2021 carried out an assessment process on the size, composition (including number and role of independent directors) and on the functioning of the Board itself and its committees, although DiaSorin is a company with concentrated ownership. Under the procedure adopted by the Board of Directors to verify the independence of its Directors, the Board of Statutory Auditors carried out a review of the issues over which it has jurisdiction, determining that the criteria and procedures used to assess compliance with the independence requirements pursuant to applicable laws and the Corporate Governance Code, were being correctly implemented and that the requirements applicable to the composition of the Board of Directors as a whole were being complied with.

Finally, the Board of Statutory Auditors assessed the suitability of the members of the Board of Statutory Auditors and the adequate composition of the body, with reference to the requirements of professionalism, competence, integrity and independence required by law, preparing the Report on the assessment of the Board of Statutory Auditors for 2021. The assessment outcome was positive. The assessment Report was presented to the Board of Directors during the Shareholders' Meeting of 16 March 2022, and disclosed in the Report on Corporate Governance and Ownership Structure and annexed to the explanatory report, pursuant to art. 125-ter of Legislative Decree 58/98, relating to the appointment of the new Board of Statutory Auditors.

The Board of Directors includes the following Committees:

- The Control, Risks and Sustainability Committee performs advisory and propositional functions and reports to the Board of Directors at least every six months on the activities carried out and on the adequacy of the Internal Control and Risk Management System. The Committee is also responsible for supervising sustainability issues connected to the exercise of the business activity and to its interaction dynamics with all stakeholders; this Committee is composed of three non-executive directors, the majority of whom are independent, including the Chairman, and held 3 meetings in 2021. On 16 December 2021, the Board approved the Regulation of the Control, Risks and Sustainability Committee;
- The Compensation and Nominating Committee is composed of three non-executive Directors - two of whom are independent - and held 4 meetings in 2021. During the meetings held the Committee formulated its recommendations regarding the methodology for accounting variable remuneration, approved the draft of the 2021 Report on the Remuneration policy and fees paid, formulated proposals for changes in remuneration and grant of cash bonuses, expressed its opinion on the adoption of stock options plan and on beneficiaries of such plans and examined, due to its relevance, the new long-term incentive and equity-based plan granted to the Group's key employees other than Executives with Strategic Responsibilities and Directors. On 16 December 2021, the Board approved the Regulation of the Compensation and Nominating Committee;

- The Committee for Related-Party Transactions is composed of three independent directors; in 2021, it held 2 meetings to examine and assess certain related-party transactions on which the Committee expressed it opinion.

Additional information about the Company's corporate governance is provided in the Report on Corporate Governance and the Company's Ownership Structure, with regard to which the Board of Statutory Auditors has no observations to make.

XIV. The Board of Statutory Auditors examined the Remuneration Report approved by the Board of Directors on 16 March 2022 upon the recommendation of the Compensation Committee and verified its compliance with the legal and regulatory provisions and the transparency and completeness of the information provided with regard to the remuneration policy adopted by the Company.

XV. The Board of Statutory Auditors also examined the motions that the Board of Directors resolved to submit to the Shareholders' Meeting called on 16 March 2022 and stated it has no further comments to make also in relation to the dividend distribution proposal.

XVI. Lastly, the Board of Statutory Auditors verified the compliance with the provisions governing the preparation of the separate Financial Statements and the Consolidated Financial Statements of the Group as at 31 December 2021, the explanatory notes provided as attachments to the consolidated report and to the Report on Operations, either directly or with the support of the managers of the Company functions and through the information obtained by the Independent Auditors. Based on the controls performed and the information supplied by the Company, the Board of Statutory Auditors, limited to the issues under its jurisdiction and according to Article 149 of the TUF, acknowledged that the separate and consolidated financial statements as at December 31, 2021 were drawn up in accordance with the laws governing their drawing up and presentation and in compliance with the International Financial Reporting Standards, issued by the International Accounting Standards Board, as published in the Official Journal of the European Union.

The separate and consolidated financial statements were integrated with the required conformity declarations signed by the Chief Executive Officer and the Corporate Accounting Documents Officer.

Furthermore, the Board of Statutory Auditors verified that the Company complied with the requirements established in the Legislative Decree no. 254/2016 and that it prepared the Consolidated Non-Financial Statement as required by Articles 3 and 4 of said Decree.

On this point the Board of Statutory Auditors acknowledged that the Company relied on the exemption from the obligation to prepare the separate Non-Financial Statement pursuant to Article 6, 1 paragraph 1 of Legislative Decree 254/2016, having the company drawn up the Consolidated Non-financial Statement in compliance with articles 3 and 4 of Legislative Decree 254/2016 and with “Global Reporting Initiative Sustainability Reporting Standards”.

In addition, the Independent Auditors communicated the conclusions expressed in paragraph “Taxonomy” of the NFS, required by article 8 of the European Regulation 852/2020. The Statement contained the certifications of the Independent Auditors on the compliance of the information provided pursuant to the aforementioned Legislative Decree concerning principles, methodologies and procedures used in its drawing up, pursuant to the Consob Regulation with Resolution no. 20267 of 18 January 2018.

Based on the considerations set forth above, which provide an overview of its activities in 2021 and taking also into account findings of the audits activities contained in the Report annexed to the annual Financial Statements, the Board of Statutory Auditors has not encountered any specific critical issues, omissions, objectionable actions or serious irregularities and does not have further observations nor proposals to be submitted to the Shareholders’ Meeting, pursuant to Article 153 of Legislative Decree 58/1998 and with regard to issues under its jurisdiction, on the resolution proposals formulated by the Board of Directors to the Shareholders’ Meeting.

Milan, 7 April 2022

The Board of Statutory Auditors

Monica Mannino	Chairman
Ottavia Alfano	Statutory Auditor
Matteo Sutera	Statutory Auditor

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of DiaSorin SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DiaSorin SpA (the Company), which comprise the statement of financial position as of 31 December 2021, the income statement, the comprehensive income statement, the statement of changes in shareholders' equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2021, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for* *the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Auditing procedures performed in
Valutation of goodwill and other intangible assets *Note 11 to the financial statements as of 31 December 2021 "goodwill and other intangible assets"* Carrying amount of goodwill reported in financial statement is Euro 39,757 thousand and represents the 4% on total non-current assets. Carrying amount of other intangible assets reported in financial statements, which mainly relate to development costs, concessions, licenses and trademarks, customer relationship and industrial patents and intellectual property rights, is Euro 81,600 thousand and represents the 9% of total non-current assets. Goodwill and other intangible assets are considered significant given their magnitude in the financial statements as well as the underlying estimation elements included in the assumptions developed by Directors on future forecasts, such as discount rates and cash flows growth rate.	International financial reporting standards as adopted by European Union ("IFRS"), and in particular IAS 36 – Impairment of assets, state that an impairment test exercise shall be performed on a yearly basis for goodwill and, in case of impairment indicators for intangible assets with a definite life, through the estimation of recoverable amounts. Recoverable amount, determined as the value in use, is equal to the present value of the future ***response to key audit matters*** We analysed the estimated cash flow projections, prepared and used for the impairment test of goodwill and other intangible assets, also through meetings with Directors who described the process to prepare the above projections. We compared the 2021 actual results with the expected figures included in the previous year impairment test and analysed main variances to assess the reliability of forecasts prepared by Directors.

We have verified the reasonableness of the process for identifying the “DiaSorin Italy” Cash Generating Unit.

We analysed and understood the main assumptions underlying forecasted revenue and costs for the Cash Generating Unit as well as verified their reasonableness based on actual results, future strategic developments and expected market evolutions.

We verified, through the involvement of valuation experts belonging to PwC network, the impairment test methodology, the mathematical accuracy of the model used and the reasonableness of assumptions included, also in connection with the determination of the terminal value and the discount rate.

We verified the sensitivity analysis in relation to the recoverability of goodwill and other

intangible assets considering possible

Key Audit Matters	Auditing procedures performed in response to key audit matters
cash flows belonging to the Cash Generating Unit "DiaSorin Italy".	changes in key assumptions such as future cash flows or discount rate. We verified the accuracy of assets and liabilities related to the Cash Generating Units "DiaSorin Italy", including the goodwill and other intangible assets allocated, which are compared to recoverable amount. We finally assessed the appropriateness and completeness of the financial statements disclosure focusing on assumptions and sensitivity analysis reported.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014

On 28 April 2016, the shareholders of DiaSorin SpA in general meeting engaged us to perform the statutory audit of the Company's and consolidated financial statements for the years ending 31 December 2016 to 31 December 2024.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of DiaSorin SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the financial statements, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the financial statements have been prepared in XHTML format in compliance with the provisions of the Commission Delegated Regulation.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of DiaSorin SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of DiaSorin SpA as of 31 December 2021, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the financial statements of DiaSorin SpA as of 31 December 2021 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of DiaSorin SpA as of 31 December 2021 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Milan, 7 April 2022

PricewaterhouseCoopers SpA

Signed by

Stefano Pavesi
(Partner)

As disclosed by the Directors on note 32 – Other information, the accompanying financial statements of DiaSorin SpA constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.