

DiaSorin

**HALF-YEAR FINANCIAL REPORT
JUNE 30, 2022**

DiaSorin S.p.A.
Via Crescentino (no building No.) - 13040 Saluggia (VC)
Tax I.D. and Vercelli Company Register n. 13144290155

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REPORT ON OPERATIONS

DIASORIN'S WORLD

1. BOARD OF DIRECTORS & CONTROL BODIES

BOARD OF DIRECTORS (appointed on April 24, 2019)

| | |
|--------------------------------|---------------------------|
| <i>Chairman</i> | Michele Denegri |
| <i>Deputy Chairman</i> | Giancarlo Boschetti |
| <i>Chief Executive Officer</i> | Carlo Rosa ⁽¹⁾ |

| | |
|------------------|---|
| <i>Directors</i> | Chen Menachem Even |
| | Stefano Altara |
| | Fiorella Altruda ⁽²⁾ |
| | André Michel Ballester ^{(2) (3)} |
| | Luca Melindo |
| | Franco Moscetti |
| | Giovanna Pacchiana Parravicini ⁽²⁾ |
| | Francesca Pasinelli ⁽²⁾ |
| | Diego Pistone |
| | Roberta Somati ⁽²⁾ |
| | Monica Tardivo ⁽²⁾ |
| | Tullia Todros ⁽²⁾ |

BOARD OF STATUTORY AUDITORS

| | |
|---------------------------|-----------------------|
| <i>Chairman</i> | Monica Mannino |
| <i>Statutory Auditors</i> | Ottavia Alfano |
| | Matteo Michele Sutera |
| <i>Alternates</i> | Romina Guglielmetti |
| | Cristian Tundo |

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A.

COMMITTEES

| | |
|---|-----------------------------------|
| Control, Risk and Sustainability Committee | André Michel Ballester (Chairman) |
| | Franco Moscetti |
| | Roberta Somati |

Compensation and Nominating Committee

Roberta Somati (Chairman)
Giancarlo Boschetti
Giovanna Pacchiana Parravicini

Related-Party Committee

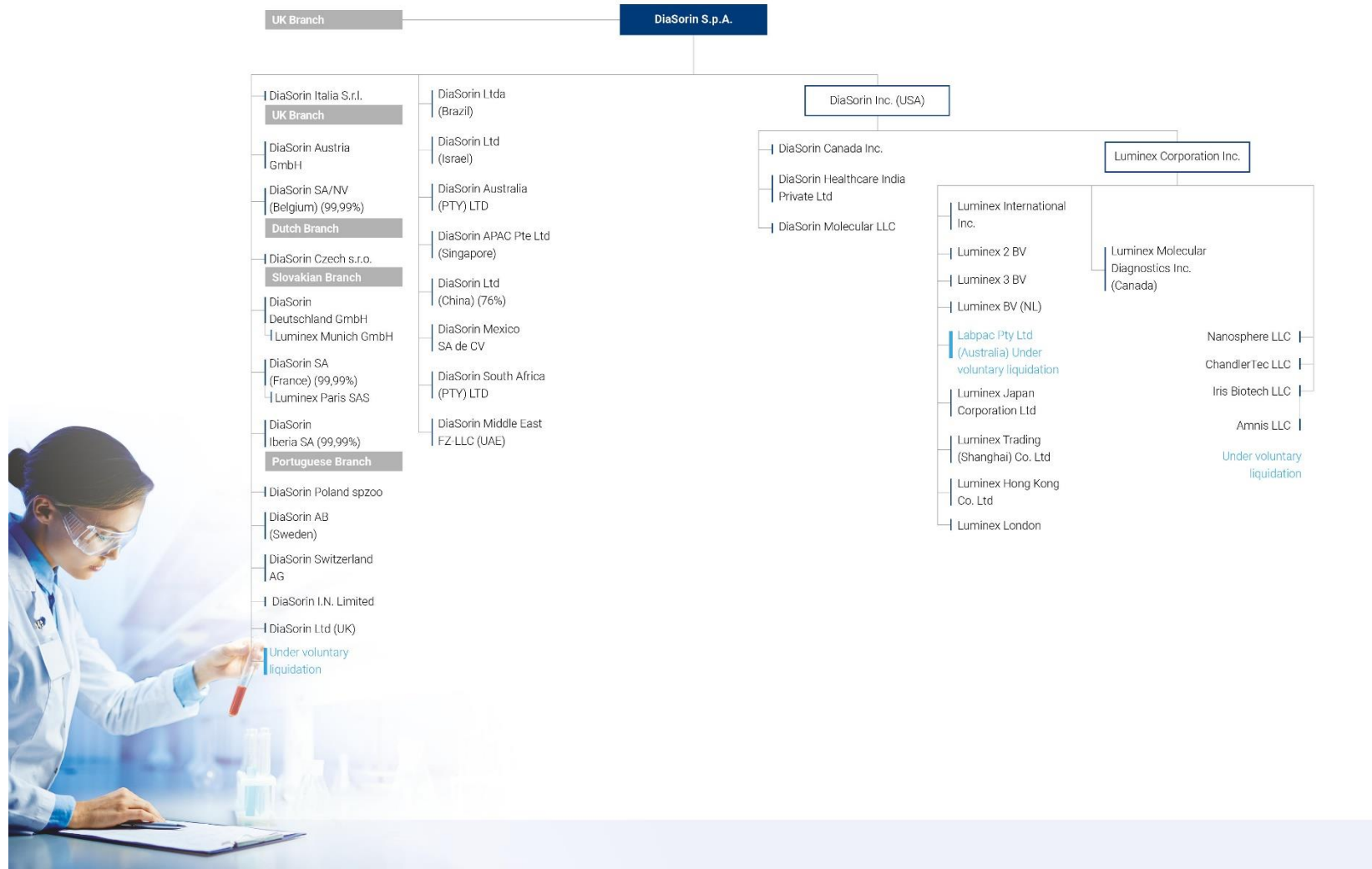
Roberta Somati (Chairman)
André Michel Ballester
Giovanna Pacchiana Parravicini

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

2. DIASORIN WORLDWIDE



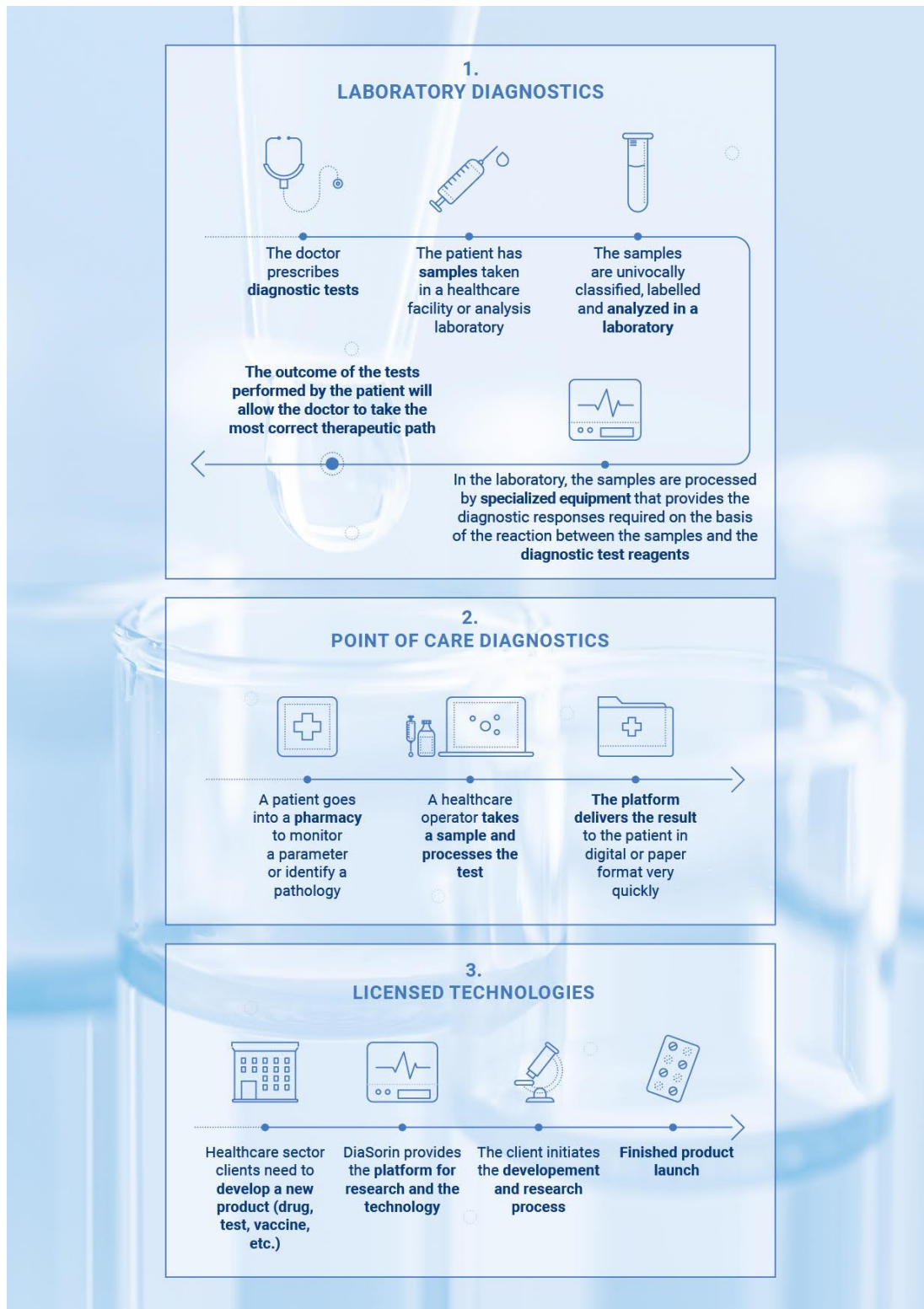
3. THE DIASORIN GROUP



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's business model is built around healthcare needs and translates them through research and innovation - into effective and concrete answers and solutions.



GROUP'S TECHNOLOGIES

Biological sample analysis to detect the presence of a specific element is carried out through analyzers and biochemical reagents, which are based on different and specific technologies.

DiaSorin operates in particular in immunodiagnosics 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 used to detect, identify and count specific cells, as well as to detect their particular components.

1. IMMUNODIAGNOSTICS

In immunodiagnosics, 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, 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 LIAISON[®] 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.

2. MOLECULAR DIAGNOSTICS


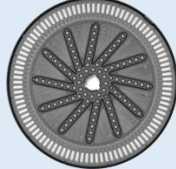
In molecular diagnostics, DiaSorin offers the market a proprietary platform, the LIAISON[®] MDX, based on PCR technology, which is used for the amplification of nucleic acids (DNA or RNA) to diagnose viral infections through the identification of viruses in patient's biological sample. DiaSorin tests are reagents designed and developed to determine the presence of specific elements (viruses, bacteria, etc.) in the patient's biological 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, 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 with its consumables and reagents.

Specifically, the LIAISON[®] MDX analyzer features a compact and flexible design and can be used:

- in association with 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;
- in association with the “Universal Disc (UD)” consumable for routine, screening or high-throughput results.

| | | |
|--|--|--|
| <p>DAD Direct Amplification Disc</p> |  | <p><i>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.</i></p> |
| <p>UD Universal Disc</p> |  | <p><i>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).</i></p> |

In July 2021, following the acquisition of Luminex, DiaSorin expanded its product offering through 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 and fully automated platform LIAISON[®] Plex.

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.

3. LICENSED TECHNOLOGIES

In the Licensed Technologies field, DiaSorin offers the market a state-of-the-art platform: the xMAP 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.

4. 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 worldwide.

Ranging from research and development of molecular platforms for direct identification of pathogens to immunodiagnosics 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's 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.

OVERVIEW OF THE RESULTS

1. CONSOLIDATED FINANCIAL HIGHLIGHTS

| Income statement | 6/30/2022 | 6/30/2021 |
|--------------------------------------|------------------|------------------|
| <i>(€ thousands)</i> | | |
| Net revenues | 685,438 | 515,416 |
| Gross profit | 449,542 | 355,335 |
| Adjusted ⁽¹⁾ Gross profit | 451,172 | 355,335 |
| EBITDA ⁽²⁾ | 263,563 | 231,334 |
| Adjusted ⁽¹⁾ EBITDA | 269,073 | 244,220 |
| EBIT | 196,674 | 201,859 |
| Adjusted ⁽¹⁾ EBIT | 221,371 | 214,745 |
| Net profit for the period | 140,807 | 150,024 |
| Adjusted ⁽¹⁾ Net profit | 168,577 | 162,494 |

| Statement of financial position | 6/30/2022 | 12/31/2021 |
|--|------------------|-------------------|
| <i>(€ thousands)</i> | | |
| Capital invested in non-current assets | 2,427,555 | 2,262,145 |
| Net invested capital | 2,548,676 | 2,353,832 |
| Net financial debt | (1,003,141) | (985,894) |
| Shareholders' equity | 1,545,534 | 1,367,939 |

| Cash flow statement | 6/30/2022 | 6/30/2021 |
|-------------------------------|------------------|------------------|
| <i>(€ thousands)</i> | | |
| Net cash flow for the period | (20,579) | 556,961 |
| Free cash flow ⁽³⁾ | 138,540 | 125,815 |
| Capital expenditures | 51,894 | 49,605 |
| Number of employees | 3,350 | 2,104 |

⁽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 performance in the first half of 2022 and comparison with 2021".

⁽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. OVERVIEW OF THE GROUP'S PERFORMANCE IN THE FIRST HALF OF 2022 AND COMPARISON WITH 2021

FOREWORD

These half-year consolidated financial statements at June 30, 2022, 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 half-year 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 "Operating performance in 2022 and comparison with 2021", 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 of Luminex and the financial expenses related to the financing of the transaction, including their tax impact.

It should be noted that the calculation of these adjusted indicators could differ from those used by other companies.

The following provides alternative performance indicators at June 30, 2022:

| <i>(€ thousands)</i> | Gross profit | EBIT | EBITDA | Tax impact | Net profit |
|--|---------------------|----------------|----------------|-------------------|-------------------|
| IFRS Financial Statements Measures | 449,542 | 196,674 | 263,563 | n.a. | 140,807 |
| <i>Adjustments</i> | | | | | |
| fair value measurement of the initial Luminex inventory | 1,630 | 1,630 | 1,630 | (367) | 1,262 |
| one-off costs relating to the acquisition, integration and restructuring of Luminex | - | 3,881 | 3,881 | (875) | 3,006 |
| amortization of Luminex intangibles identified in the Purchase Price Allocation | - | 19,187 | - | (4,325) | 14,862 |
| Financial charges relating to the debt instruments and to the convertible bond issued to finance the acquisition | - | - | - | (2,514) | 8,639 |
| Total adjustments | 1,630 | 24,697 | 5,510 | (8,081) | 27,770 |
| Alternative performance indicators | 451,172 | 221,371 | 269,073 | n.a. | 168,577 |

The following provides alternative performance indicators at June 30, 2021:

| <i>(€ thousands)</i> | Gross profit | EBIT | EBITDA | Tax impact | Net profit |
|--|---------------------|----------------|----------------|-------------------|-------------------|
| IFRS Financial Statements Measures | 355,335 | 201,859 | 231,334 | n.a. | 150,024 |
| <i>Adjustments</i> | | | | | |
| one-off costs relating to the acquisition, integration and restructuring of Luminex | - | 12,886 | 12,886 | (3,028) | 9,858 |
| Financial charges relating to the debt instruments and to the convertible bond issued to finance the acquisition | - | - | - | (802) | 2,612 |
| Total adjustments | - | 12,886 | 12,886 | (3,831) | 12,470 |
| Alternative performance indicators | 355,335 | 214,745 | 244,220 | n.a. | 162,494 |

MACROECONOMIC SCENARIO AND THE FOREIGN EXCHANGE MARKET

In the first half of 2022, global economic growth lost momentum compared to 2021, a year marked by consumption and economic activities rebounding from the pandemic recession.

The conflict in Ukraine, the overall increase in global demand driven by a strong consumption recovery following stringent lockdown measures and COVID- related disruptions to global supply chains across almost all product sectors caused strong inflationary pressures on raw materials, in particular gas and oil, driving up prices of goods and services.

The main Central Banks reacted to this macroeconomic scenario by gradually adopting more restrictive monetary policies and raising interest rates, thus terminating a long period of expansionary policies with zero or negative interest rates and, in all likelihood, creating the conditions for economic recession. The combination of the above elements along with the conflict in Ukraine and the consequent energy crisis in the main European economies has created high levels of economic and macro-political uncertainty.

The foreign exchange market, also due to the above, recorded a sharp depreciation of the euro, especially against the U.S. dollar that hit levels not seen in years (up 13%).

The table below provides a comparison of the average and end-of-period exchange rates (source: European Central Bank) concerning the main currencies used by the Group in the first half of 2022 and 2021.

| Currency | Average exchange rates | | | Exchange rates at | | |
|--------------------|---------------------------|---------------------------|--------|-------------------|-----------|--------|
| | 1 st half 2022 | 1 st half 2021 | Change | 6/30/2022 | 6/30/2021 | Change |
| U.S. dollar | 1.0934 | 1.2053 | -9% | 1.0387 | 1.1884 | -13% |
| Brazilian real | 5.5565 | 6.4902 | -14% | 5.4229 | 5.905 | -8% |
| British pound | 0.8424 | 0.8680 | -3% | 0.8582 | 0.85805 | 0% |
| Swedish kronor | 10.4796 | 10.1308 | 3% | 10.73 | 10.111 | 6% |
| Swiss franc | 1.0319 | 1.0946 | -6% | 0.996 | 1.098 | -9% |
| Czech koruna | 24.6485 | 25.8541 | -5% | 24.739 | 25.488 | -3% |
| Canadian dollar | 1.3900 | 1.5030 | -8% | 1.3425 | 1.4722 | -9% |
| Mexican peso | 22.1653 | 24.3270 | -9% | 20.9641 | 23.5784 | -11% |
| Israeli shekel | 3.5765 | 3.9373 | -9% | 3.6392 | 3.8763 | -6% |
| Chinese yuan | 7.0823 | 7.7960 | -9% | 6.9624 | 7.6742 | -9% |
| Australian dollar | 1.5204 | 1.5626 | -3% | 1.5099 | 1.5853 | -5% |
| South African rand | 16.8485 | 17.5244 | -4% | 17.0143 | 17.0114 | 0% |
| Norwegian krone | 9.9817 | 10.1759 | -2% | 10.3485 | 10.1717 | 2% |
| Polish zloty | 4.6354 | 4.5374 | 2% | 4.6904 | 4.5201 | 4% |
| Indian Rupee | 83.3179 | 88.4126 | -6% | 82.113 | 88.324 | -7% |
| Singapore dollar | 1.4921 | 1.6059 | -7% | 1.4483 | 1.5976 | -9% |

3. REVIEW OF THE GROUP'S OPERATING PERFORMANCE AND FINANCIAL POSITION

FOREWORD

The accounting standards applied to prepare this Half-Year Consolidated Financial Statements are consistent with those used for the Annual Consolidated Financial Statements at December 31, 2021 except as otherwise stated in the Notes to the Condensed Half-Year Consolidated Financial Statements – paragraph “New accounting standards”.

OPERATING PERFORMANCE IN THE FIRST HALF 2022 AND COMPARISON WITH 2021

| CONSOLIDATED INCOME STATEMENT | | | | |
|---|------------------|--------------------------|------------------|--------------------------|
| <i>(€ thousands)</i> | 6/30/2022 | as a% of revenues | 6/30/2021 | as a% of revenues |
| Sales and service revenues | 685,438 | 100.0% | 515,416 | 100.0% |
| Cost of sales | (235,896) | 34.4% | (160,081) | 31.1% |
| Gross profit | 449,542 | 65.6% | 355,335 | 68.9% |
| Sales and marketing expenses | (141,880) | 20.7% | (74,660) | 14.5% |
| Research and development costs | (46,288) | 6.8% | (23,504) | 4.6% |
| General and administrative expenses | (56,762) | 8.3% | (37,894) | 7.4% |
| Total operating expenses | (244,930) | 35.7% | (136,058) | 26.4% |
| Other operating income (expense) | (7,938) | 1.2% | (17,418) | 3.4% |
| EBIT | 196,674 | 28.7% | 201,859 | 39.2% |
| Adjusted EBIT | 221,371 | 32.3% | 214,745 | 41.7% |
| Financial income | 2,798 | 0.4% | 710 | 0.1% |
| Financial expense | (17,692) | 2.6% | (6,459) | 1.3% |
| Profit before taxes | 181,780 | 26.5% | 196,110 | 38.0% |
| Income taxes | (40,973) | 6.0% | (46,086) | 8.9% |
| Net profit for the period | 140,807 | 20.5% | 150,024 | 29.1% |
| Adjusted Net profit for the period | 168,577 | 24.6% | 162,494 | 31.5% |
| EBITDA ⁽²⁾ | 263,563 | 38.5% | 231,334 | 44.9% |
| Adjusted ⁽¹⁾ EBITDA | 269,073 | 39.3% | 244,220 | 47.4% |

⁽¹⁾ The Adjusted Gross Profit, Adjusted EBITDA, Adjusted EBIT and Adjusted Net Profit indicators are provided in the table included in section “Overview of the Group’s performance in the first half 2022 and comparison with 2021”.

⁽²⁾ 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 the first half of 2022, DiaSorin generated revenues for € 685,438 thousand (€515,416 thousand in the first half of 2021), with a growth of 33.0% (25.1% at CER) compared to the first half of 2021. The increase is due both to the Luminex inclusion in the scope of consolidation and the strong performance of DiaSorin immunodiagnostic and molecular diagnostic business, partly offset by the expected decline of COVID sales.

Ex-COVID immunodiagnostics revenues grew by 10.0% (+5.4% at CER), mainly driven by solid CLIA contribution from sales of Latent Tuberculosis, Infectious Diseases and Gastrointestinal tests despite the expected decline in Vitamin D and ELISA D sales.

Ex-COVID molecular diagnostics revenues grew by 170.9% (+147.8% at CER), mainly driven by the Luminex contribution and the upward trend of DiaSorin products.

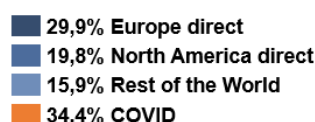
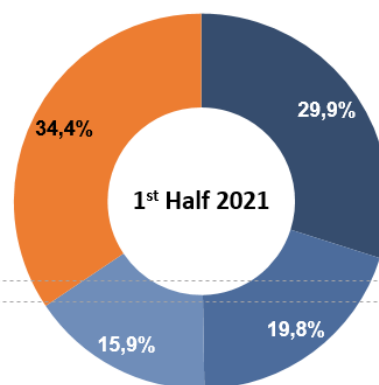
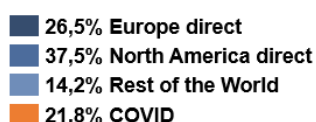
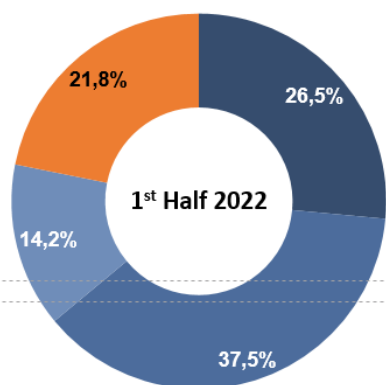
Licensed technologies revenues were €106,364 thousand on the back of the strong sales performance of xMAP[®] instruments and consumables

COVID serology and molecular diagnostic tests sales, equal to €149,753 thousand, exceeded the previous guidance and decreased by 15.5% compared to the first half of 2021 (20.6% at CER). The expected decline reflects both the success of pandemic containment measures implemented by government authorities and widespread and effective vaccination campaigns.

In the first half of 2022, Luminex overall contribution to Group revenues was equal to €185,228 thousand, in line with the assumptions made in the budget.

Breakdown of revenues by geography

| <i>(€ thousands)</i> | 1st half 2022 | 1st half 2021 | % Change at current exchange rates | % Change at constant exchange rates |
|----------------------|---------------------------------|---------------------------------|---|--|
| Europe direct | 181,539 | 154,080 | 17.8% | 16.8% |
| North America direct | 257,066 | 102,286 | 151.3% | 128.1% |
| Rest of the World | 97,080 | 81,731 | 18.8% | 11.2% |
| COVID | 149,753 | 177,319 | -15.5% | -20.6% |
| Total | 685,438 | 515,416 | 33.0% | 25.1% |



Europe direct

Revenues in the first half of 2022 were €181,539 thousand, up 17.8% (16.8% at CER) compared to the first half of 2021. The inclusion of Luminex revenues in the scope of consolidation and the positive immunodiagnostic business performance drove growth compared to the first half of 2021.

It should be noted that CLIA revenues, net of Vitamin D, grew by approx. 9% at CER, on the back of the Latent Tuberculosis, Infectious Diseases and Gastrointestinal Infections test sales. Vitamin D sales increased slightly compared to the first half of 2021.

The molecular diagnostics business showed a positive trend driven by the Luminex inclusion in the scope of consolidation and the good performance of DiaSorin molecular diagnostic combination test for COVID-Influenza.

North America direct

Revenues in the first half of 2022 were €257,066 thousand, up by 151.3% (128.1% at CER) compared to the first half of 2021. The positive immunodiagnostic business performance along with the inclusion of Luminex revenues in the scope of consolidation drove revenues up compared to the first half of 2021.

As regards the immunodiagnostic business, it should be noted the robust CLIA sales, net of Vitamin D, growing by approx. 30% at CER, mainly on the back of the successful commercial strategy aimed at increasing penetration in U.S. hospitals segment and the expansion of test menus addressed to this market (Latent Tuberculosis, Gastrointestinal Infections, Hepatitis and Retrovirus panel). This upward trend was partly offset by the decline of Vitamin D and ELISA sales.

The molecular diagnostic business continued to grow as a result of the inclusion of Luminex revenues in the scope of consolidation and robust DiaSorin tests sales, partly offset by a decline in revenues from instruments sales that, in 2021, reached a peak as the pandemic spread and hospitals made efforts to provide adequate testing capacity.

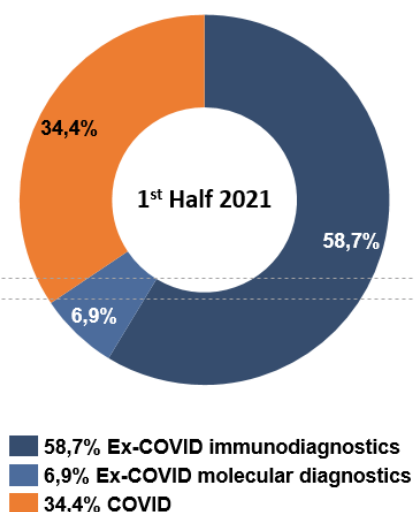
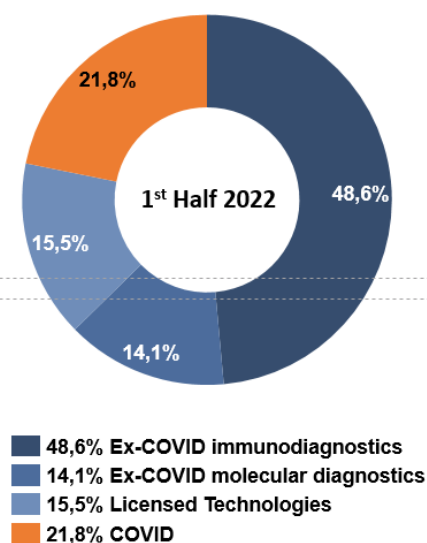
Lastly, worthy of note is the solid performance of the Licensed Technologies business, driven by sales of xMAP® instruments and consumables.

Rest of the World

Revenues in the first half of 2022 were €97,080 thousand, up by 18.8% (11.2% at CER) compared to the first half of 2021. The benefit from the inclusion of Luminex revenues in the scope of consolidation was only partially offset by the decrease in sales recorded in the Chinese market, as a result of the very restrictive measures implemented by local authorities to contain the spread of COVID infections.

Breakdown of revenues by technology

| (€ thousands) | 1 st half 2022 | 1 st half 2021 |
|--------------------------------|---------------------------|---------------------------|
| Ex-COVID immunodiagnosics | 48.6% | 58.7% |
| Ex-COVID molecular diagnostics | 14.1% | 6.9% |
| Licensed Technologies | 15.5% | n.a. |
| COVID | 21.8% | 34.4% |
| Total | 100.0% | 100.0% |



The breakdown of sales by technology is affected by the consolidation of Luminex.

In the first half of 2022, ex-COVID immunodiagnostic business accounted for 48.6% of total revenues, down from 58.7% in 2021. The growth in revenues, mainly on the back of CLIA sales, was diluted by the inclusion of Luminex technologies.

Ex-COVID molecular diagnostics accounted for 14.1% of total revenues, up from 6.9% in 2021, as a result of the contribution from Luminex revenues and the robust performance of DiaSorin business. Licensed Technologies accounted for 15.5% of total revenues, while COVID tests accounted for 21.8% of total revenues, down from the first half of 2021, as a result of the expected reduction of test volumes due to the pandemic containment measures implemented by government authorities along with widespread and effective vaccination campaigns.

OPERATING PERFORMANCE

The Adjusted gross profit was € 451,172 thousand, up 27.0% as against € 355,335 thousand in the first half of 2021; its ratio to revenues decreased to 65.8%, from 68.9% in the same period of 2021. 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 € 449,542 thousand.

Operating expenses, net of higher amortization deriving from the Luminex Purchase Price Allocation, amounted to € 225,743 thousand, up 65.9% compared to the same period of 2021: their ratio to total revenues was equal to 32.9%, up from 26.4% in the first half of 2021. The change is due to the reduction of 2021 operating leverage on the back of strong COVID revenues and the inclusion of Luminex business, which was characterized by higher operating expenses, in the scope of consolidation.

Sales and marketing expenses were € 122,983 thousand, excluding amortization deriving from the Luminex acquisition, and increased by € 48,323 thousand or 64.7% compared to the same period of 2021 (€ 74,660 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 increased to 17.9% in 2022 from 14.5% 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 € 45,998 thousand, net of the Luminex Purchase Price Allocation, increased by € 22,494 or 95.7% compared to the same period of 2021 (€23,504 thousand), their ratio to total revenues was equal to 6.7%, versus 4.6 percentage points in the first half of 2021. The increase of these costs 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 € 3,881 thousand relating to the costs for the Luminex acquisition and integration, were € 4,058 thousand as against €4,532 thousand in the first half of 2021.

Adjusted EBITDA amounted to € 269,073 thousand, up by 10.2% compared to the first half of 2021 and with an incidence to revenues of 39.3%. When excluding the foreign exchange impact, Adjusted EBITDA increased by 4.1% compared to 2021, equal to 39.4% of revenues.

EBITDA amounted to € 263,563 thousand, up 13.9% compared to the first half of 2021, equal to 38.5% of revenues in 2022 down from 44.9% in 2021.

Adjusted EBIT amounted to € 221,371 thousand (€214,745 thousand in the first half of 2021), up 3.1% over the first half of 2021, equal to 32.3% of revenues as against 41.7% of revenues in 2021. The change is due to the combined effect of the elements described above. In the first half of 2022, EBIT was € 196,674 thousand, down 2.6% compared to 2021, equal to 28.7% of revenues.

FINANCIAL INCOME AND EXPENSE

In the first half of 2022, net financial expense amounted to €14,894 thousand, as against € 5,749 thousand in the same period of 2021. The change is mainly due to the financing for the Luminex acquisition.

Interest expense and other financial charges include:

- € 4,046 thousand in non-cash expenses arising from the amortized cost of the convertible bond issued by the Parent Company;

- € 7,624 thousand in interest expense and other charges for the bank loan to support the Luminex acquisition;
- € 1,447 thousand related to interest expense on lease recognized under the IFRS 16 accounting standard (€780 thousand in the first half of 2021).

Net exchange rate differences on other financial balances, which were positive by € 2,115 thousand (positive by € 485 thousand in the first half of 2021) mainly referred to the impact of exchange rates fluctuation on subsidiaries' financial balances denominated in foreign currencies.

PROFIT BEFORE TAXES AND NET PROFIT

The first half of 2022 ended with a result before taxes of € 181,780 thousand (€ 217,630 thousand net of costs for the Luminex acquisition and those deriving from the PPA), down 7.3% compared to € 196,110 thousand in the first half of 2021, equal to 26.5% of revenues (31.8% net of costs for the Luminex acquisition and those deriving from the PPA), down from 38.0% in the first half of 2021, as a result of higher financial charges and the effects of the Luminex acquisition.

Income taxes were € 40,973 thousand (€ 46,086 thousand in the first half of 2021), with a tax rate of 22.5%, improving from 23.5% in 2021.

Adjusted net profit in the first half of 2022, equal to € 168,577 thousand, increased by € 6,084 thousand or 3.7% compared to the first half of 2021, with an incidence on revenues of 24.6% (31.5% in 2021). Net profit was € 140,808 thousand.

4. STATEMENT OF FINANCIAL POSITION AT JUNE 30, 2022

The consolidated statement of financial position at June 30, 2022 is provided below:

| <i>(€ thousands)</i> | 6/30/2022 | 12/31/2021 |
|-----------------------------------|--------------------|-------------------|
| Goodwill and Intangible assets | 2,092,867 | 1,943,369 |
| Property, plant and equipment | 289,873 | 276,197 |
| Other non-current assets | 44,814 | 42,579 |
| Net working capital | 407,824 | 361,924 |
| Other non-current liabilities | (286,702) | (270,237) |
| Net invested capital | 2,548,676 | 2,353,832 |
| Net financial debt | (1,003,141) | (985,894) |
| Total shareholders' equity | 1,545,534 | 1,367,939 |

Non-current assets were € 2,427,554 thousand at June 30, 2022, up by € 165,031 thousand compared to December 31, 2021 due to exchange rate fluctuations.

A breakdown of the net working capital is provided below:

| <i>(€ thousands)</i> | 6/30/2022 | 12/31/2021 |
|---|------------------|-------------------|
| Trade receivables | 201,225 | 217,588 |
| Ending inventories | 313,392 | 298,049 |
| Trade payables | (75,494) | (84,773) |
| Other current assets/liabilities ⁽¹⁾ | (31,299) | (68,940) |
| Net working capital | 407,824 | 361,924 |

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

At June 30, 2022, the net working capital was € 407,824 thousand, an increase of € 45,899 thousand compared to 2021. The decrease in trade receivables, equal to € 16,363 thousand, is due to lower revenues in the second quarter of 2022 compared to the fourth quarter of 2021. The increase in ending inventories, equal to € 15,343 thousand, is mainly due to exchange rate fluctuations. Trade payables decreased by € 9,279 thousand, mainly as a result of acceleration of payments to support the hive down to transfer Italian operating activities to a company established for this purpose.

Other current net liabilities were € 31,299 thousand, down compared to December 31, 2021 as a consequence of taxes paid in the first quarter of 2022.

Net financial debt was negative by €1,003,141 thousand in the first half of 2022.

The table that follows shows the consolidated net financial debt:

| <i>(€ thousands)</i> | 6/30/2022 | 12/31/2021 |
|--|------------------|-------------------|
| A Cash on hand | 382,441 | 403,020 |
| B Cash equivalents | - | - |
| C Other current financial assets | - | - |
| D Cash (A+B+C) | 382,441 | 403,020 |
| E Current financial debt (including debt instruments, but excluding the current portion of non-current financial borrowings) | 9,612 | 9,644 |
| F Current portion of non-current financial borrowing | 34,817 | 90,767 |
| G Current financial debt (E+F) | 44,429 | 100,411 |
| H Net current financial debt (G-D) | (338,012) | (302,609) |
| I Non-current financial debt (excluding the current portion and debt instruments) | 867,877 | 848,982 |
| J Debt instruments | 443,982 | 439,520 |
| K Trade payables and other non-current borrowings | - | - |
| L Non-current financial debt (I + J + K) | 1,311,859 | 1,288,502 |
| M Total financial debt (H+L) | 1,003,141 | 985,894 |

Financial liabilities, compared to the balance at December 31, 2022, include:

- the increase in liability by € 80,717 thousand due to changes in exchange rates;
- the repayment, in April, of a principal of USD 50,000,000 related to the “Term Loan”, plus € 8,466 thousand in interest payment.

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 debt 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 that at June 30, 2021 complied with the requirement set. This liability is measured at amortized cost and at June 30, 2022 amounted to € 910,769 thousand.

It should be noted that the mark-to-market value of the interest rate swap derivative to hedge interest rate changes on the “Term Loan” was € 45,894 thousand, up by € 38,612 compared to December 31, 2021.

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

The change in net financial debt compared to December 31, 2021, is due to the treasury shares buy back, and dividends paid to shareholders, as described in paragraph “Analysis of consolidated cash flows” below.

At June 30, 2022, the consolidated shareholders' equity was €1,545,534 thousand (€1,367,939 thousand at December 31, 2021) and include 1,744,328 treasury shares, equal to 3.12% of the share capital, for a total value of € 185,693 thousand. As regards the treasury shares buy-back plan approved by the Board of Directors on March 16, 2022 and by the Shareholders' Meeting on April 29, 2022, no.527,378 treasury shares, for a value of €62,036 thousand were purchased at June 30, 2022.

ANALYSIS OF CONSOLIDATED CASH FLOWS

A complete statement of consolidated cash flows is provided in the half-year 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.

| <i>(€ thousands)</i> | 1st half 2022 | 1st half 2021 |
|---|---------------------------------|---------------------------------|
| Cash and cash equivalents- Opening balance | 403,020 | 339,881 |
| Net cash from operating activities | 180,107 | 173,670 |
| Cash used for investing activities | (51,894) | (49,605) |
| Cash used from/(for) financing activities | (148,785) | 432,896 |
| <i>Change in net cash before investments in financial assets</i> | <i>(20,579)</i> | <i>556,961</i> |
| <i>Change in net cash</i> | <i>(20,579)</i> | <i>556,961</i> |
| Cash and cash equivalents – Closing balance | 382,441 | 896,842 |

At June 30, 2022, available liquid assets held by the Group amounted to € 382,441 thousand, down by € 20,579 thousand compared to December 31, 2021.

In the first half of 2022, the cash flow from operating activities increased to €180,107 thousand, compared to the first half of 2021, also on the back of the positive contribution from Luminex. Tax payment amounted to € 58,477 thousand (as against € 66,081 thousand in 2021).

Investing activities absorbed cash for € 51,894 thousand, as against € 49,605 thousand in the same period of 2021. The difference is due to the several investment plans to support the Group's growth, such as the Liaison NES, the Liaison PLEX and the investments for manufacturing activities in China.

In the first half of 2022, the free cash flow was €138,540 thousand, up by € 12,725 thousand as against € 125,815 thousand in the same period of 2021.

Net cash from financing activities amounted to € 148,785 thousand, as against € 432,896 thousand in the first half of 2021 (due to the financing of Luminex acquisition). The following should be noted:

- the repayment, in April, of a principal of USD 50,000,000 related to the “Term Loan”
- € 55,718 thousand in dividends paid to shareholders;
- € 65,173 thousand in the purchase of treasury shares.

The exchange rate effect on cash and cash equivalents was € 26,350 thousand.

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

Consistent with Consob Communication No. DEM/6064293 of July 28, 2006, in the first half of 2022, 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.

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 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 DiaSorin 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.

It should also be noted that the growing inflationary pressure may lead to an increase in the cost base resulting in lower margins that DiaSorin could not face with a corresponding increase in prices applied to customers. To date, this phenomenon has no a material impact on the Group's numbers.

In the first half of 2022, 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. The current economic and macro-political situation, which is negatively impacted by the ongoing pandemic and the Ukraine conflict, exposes some of these countries to social, economic and political instability, thus jeopardizing growth in such countries. Nevertheless, the Group is not significantly exposed in these markets.

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 U.S. Dollar (accounting for about 51% of revenues in the first half of 2022), the Chinese yuan (accounting for about 4% of revenues in the first half of 2022) and the Canadian dollar (accounting for about 5% of revenues in the first half of 2022).

From a balance sheet point of view, a significant portion of the debt from Luminex acquisition is denominated in U.S. 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, even though marginal, 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 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 may 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 OCCURRED AFTER JUNE 30, 2022 AND BUSINESS OUTLOOK

The project for the redefinition of the corporate structure of the DiaSorin Group in Italy, which was already approved by the Board of Directors of DiaSorin S.p.A. on December 16, 2021 and May 6, 2022, was executed on June 7, 2022.

Its implementation was envisaged through the contribution in kind of the branch of DiaSorin business related to the operating activities carried out in Italy and in the United Kingdom - the latter, through a branch- (i.e., industrial activities, R&D, commercial and marketing activities and those other ancillary activities in support thereof) in favor of DiaSorin Italia S.r.l., a wholly-owned direct subsidiary of DiaSorin S.p.A..

Following completion of the operation, starting from July 1, 2022, DiaSorin S.p.A. will be in charge of the definition and the development of the strategic orientation, treasury and coordination activities for the benefit of the whole Group, while the management of the operating activities carried out in Italy and in the United Kingdom will be delegated to DiaSorin Italia.

As regards business outlook, the management revised upwards its guidance on both revenues and profitability, mainly due to an upturn in sales of Covid tests, and expects that in 2022 the DiaSorin Group should be able to deliver:

- Revenues: growth of approx. +2% compared to 2021, of which COVID-related revenues amounting to approx. € 200 million and ex-COVID revenues increasing by approx. 24%
- ADJUSTED EBITDA MARGIN equal to approx. 38%.

8. 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 29 of the condensed half-year consolidated Financial Statements.

CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2022

1. CONSOLIDATED INCOME STATEMENT

| <i>(€ thousands)</i> | Notes | 1 st half 2022 | <i>amount with related parties</i> | 1 st half 2021 | <i>amount with related parties</i> |
|--|-------|------------------------------|--|------------------------------|--|
| Sales and service revenues | (1) | 685,438 | | 515,416 | |
| Cost of sales | (2) | (235,896) | | (160,081) | |
| Gross profit | | 449,542 | | 355,335 | |
| Sales and marketing expenses | (3) | (141,880) | | (74,660) | |
| Research and development costs | (4) | (46,288) | | (23,504) | |
| General and administrative expenses | (5) | (56,762) | (3,729) | (37,894) | (3,143) |
| Other operating income (expenses) | (6) | (7,938) | | (17,418) | |
| <i>Non-recurring amount</i> | | <i>(3,881)</i> | | <i>(12,886)</i> | |
| EBIT | | 196,674 | | 201,859 | |
| Financial income | (7) | 2,798 | | 710 | |
| Financial expense | (8) | (17,692) | | (6,459) | |
| Profit before taxes | | 181,780 | | 196,110 | |
| Income taxes | (9) | (40,973) | | (46,086) | |
| Net profit for the period | | 140,807 | | 150,024 | |
| <i>Broken down as follows:</i> | | | | | |
| - amount attributable to Parent Company's shareholders | | 141,515 | | 150,118 | |
| - amount attributable to minority interests | | (708) | | (94) | |
| Earnings per share (basic) | (10) | 2.58 | | 2.63 | |
| Earnings per share (diluted) | (10) | 2.57 | | 2.61 | |

2. CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

| <i>(€ thousands)</i> | 1 st half 2022 | 1 st half 2021 |
|--|---------------------------|---------------------------|
| Net profit for the period (A) | 140,807 | 150,024 |
| Other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the period: | | |
| Gains/(losses) on remeasurement of defined benefit plans | 357 | - |
| Total other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the period (B1) | 357 | - |
| 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 | 119,321 | 18,329 |
| Gains/(losses) from cash flow hedges | 35,933 | 8,488 |
| Total other comprehensive gains/(losses) that will be reclassified subsequently to gain/(loss) of the period (B2) | 155,253 | 26,817 |
| TOTAL OTHER COMPREHENSIVE GAINS/(LOSSES), NET OF TAX (B1) +(B2) =(B) | 155,610 | 26,817 |
| TOTAL COMPREHENSIVE GAINS/(LOSSES) (A)+(B) | 296,417 | 176,841 |
| <i>Including:</i> | | |
| -amount attributable to Parent Company's shareholders | 297,125 | 176,934 |
| -amount attributable to minority interests | (708) | (94) |

3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| <i>(€ thousands)</i> | notes | 6/30/2022 | <i>amount with related parties</i> | 12/31/2021 | <i>amount with related parties</i> |
|------------------------------------|--------------|------------------|--|-------------------|--|
| ASSETS | | | | | |
| <i>Non-current assets</i> | | | | | |
| Property, plant, and equipment | (11) | 289,873 | | 276,197 | |
| Goodwill | (12) | 855,991 | | 789,631 | |
| Other intangibles | (12) | 1,236,876 | | 1,153,738 | |
| Equity investments | (13) | 26 | | 26 | |
| Deferred-tax assets | (14) | 40,973 | | 38,230 | |
| Other non-current assets | (15) | 3,816 | | 4,323 | |
| Other non-current financial assets | (21) | 31,247 | | 10,716 | |
| <i>Total non-current assets</i> | | <i>2,458,802</i> | | <i>2,272,861</i> | |
| <i>Current assets</i> | | | | | |
| Inventories | (16) | 313,392 | | 298,049 | |
| Trade receivables | (17) | 201,225 | | 217,588 | |
| Other current assets | (18) | 67,546 | | 39,634 | |
| Other current financial assets | (21) | 14,648 | | - | |
| Cash and cash equivalents | (19) | 382,441 | | 403,020 | |
| <i>Total current assets</i> | | <i>979,252</i> | | <i>958,291</i> | |
| TOTAL ASSETS | | 3,438,054 | | 3,231,152 | |

3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

| <i>(€ thousands)</i> | notes | 6/30/2022 | <i>amount with related parties</i> | 12/31/2021 | <i>amount with related parties</i> |
|---|-------|------------------|------------------------------------|------------------|------------------------------------|
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| <i>Shareholders' equity</i> | | | | | |
| Share capital | (20) | 55,948 | | 55,948 | |
| Treasury shares | (20) | (185,693) | | (120,022) | |
| Additional paid-in capital | (20) | 18,155 | | 18,155 | |
| Statutory reserve | (20) | 11,190 | | 11,190 | |
| Other reserves and retained earnings | (20) | 1,503,525 | | 1,090,138 | |
| Net profit for the period | | 141,515 | | 310,968 | |
| <i>Total consolidated shareholders' equity</i> | | <i>1,544,640</i> | | <i>1,366,377</i> | |
| Other reserves and retained earnings attributable to minority interests | | 1,602 | | 1,798 | |
| Net profit for the period attributable to minority interests | | (708) | | (236) | |
| <i>Equity attributable to minority interests</i> | | <i>894</i> | | <i>1,562</i> | |
| Total Shareholders' equity | | 1,545,534 | | 1,367,939 | |
| <i>Non-current liabilities</i> | | | | | |
| Non-current financial liabilities | (21) | 1,372,139 | | 1,294,747 | |
| Provisions for employee benefits | (22) | 40,734 | 3,611 | 40,917 | 3,096 |
| Deferred-tax liabilities | (14) | 200,108 | | 185,337 | |
| Provisions for risks and charges | (23) | 26,443 | | 25,392 | |
| Other non-current liabilities | (24) | 19,417 | | 18,591 | |
| <i>Total non-current liabilities</i> | | <i>1,658,841</i> | | <i>1,564,984</i> | |
| <i>Current liabilities</i> | | | | | |
| Trade payables | (25) | 75,494 | | 84,773 | |
| Other payables | (26) | 88,686 | 24 | 102,319 | 74 |
| Current tax liabilities | (27) | 10,161 | | 6,255 | |
| Current financial liabilities | (21) | 59,338 | | 104,882 | |
| <i>Total current liabilities</i> | | <i>233,679</i> | | <i>298,229</i> | |
| Total liabilities | | 1,892,520 | | 1,863,213 | |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 3,438,054 | | 3,231,152 | |

4. CONSOLIDATED STATEMENT OF CASH FLOWS

| | notes | 1 st half 2022 | amount with related parties | 1 st half 2021 | amount with related parties |
|--|-----------|------------------------------|--------------------------------------|------------------------------|--------------------------------------|
| Cash flow from operating activities | | | | | |
| Net profit for the period | | 140,808 | | 150,024 | |
| Adjustment for: | | | | | |
| - Income taxes | (9) | 40,973 | | 46,086 | |
| - Depreciation and amortization | (11) (12) | 66,889 | | 29,475 | |
| - Financial expense/ (income) | (7) (8) | 14,894 | | 5,749 | |
| - Additions to/ (Utilizations of) provisions for risk | (23) | (68) | | 11,228 | |
| - (Gains)/Losses on sales of non-current assets | | 280 | | 2 | |
| - Additions to/ (Reversals of) provisions for employee severance indemnities | (22) | 464 | | 960 | |
| - Stock option reserve | (20) | 3,805 | | 3,164 | |
| - Currency translation reserve on operating activities | (20) | (2,385) | | 4,970 | |
| - Change in other non-current-assets/liabilities | (15) (24) | (20,316) | | 588 | |
| Cash flow from operating activities before changes in working capital | | 245,343 | | 252,246 | |
| (Increase)/Decrease in current receivables | (17) | 26,590 | | 8,249 | |
| (Increase)/Decrease in inventories | (16) | 3,969 | | (19,980) | |
| Increase/(Decrease) in trade payables | (25) | (11,678) | | 13,422 | |
| Increase)/Decrease in other current items | | (15,313) | | (12,436) | (50) |
| Cash from operating activities | | 248,911 | | 241,501 | (50) |
| Income taxes paid | | (58,477) | | (66,081) | |
| (Paid)/ collected interests | | (10,327) | | (1,750) | |
| Net cash from operating activities | | 180,107 | | 173,670 | (50) |
| Investments in intangibles | (12) | (24,360) | | (20,986) | |
| Investments in property, plant and equipment | (11) | (31,134) | | (29,820) | |
| Divestments of property, plant and equipment and intangibles | (11) (12) | 3,601 | | 1,201 | |
| Cash used in regular investing activities | | (51,894) | | (49,605) | |
| (Repayment of)/proceeds from loans and other liabilities | (21) | (54,250) | | 487,117 | |
| (Issuance)/Repayments of term deposit | | - | | - | |
| (Purchase)/Sale of treasury shares | (20) | (65,173) | | (3,839) | |
| Dividend distribution | (20) | (55,718) | | (54,012) | |
| Cash used in financing activities | | (175,141) | | 429,266 | |
| Foreign exchange translation differences on cash and cash equivalents | | 26,350 | | 3,630 | |
| Net change in cash | | (20,579) | | 556,961 | |
| Cash and cash equivalents - Opening balance | | 403,020 | | 339,881 | |
| Cash and cash equivalents - Closing balance | | 382,441 | | 896,842 | |

5. STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

| <i>(€ thousands)</i> | 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 | Profit/(loss) of the period | Group interest in shareholders' equity | Minority interest in shareholders' 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 | - | - | - | - | - | - | - | (54,765) | - | (54,765) | - | (54,765) |
| Stock options and other changes | - | - | - | - | - | 3,164 | - | - | - | 3,164 | - | 3,164 |
| Sale /(purchase) of treasury shares | - | (4,516) | - | - | - | - | 4,516 | (3,839) | - | (3,839) | - | (3,839) |
| Ex IAS 32 convertible debt reserve | - | - | - | - | - | - | - | 59,802 | - | 59,802 | - | 59,802 |
| Put/Call option rights in subsidiaries | - | - | - | - | - | - | - | (529) | - | (529) | - | (529) |
| <i>Profit for the period</i> | - | - | - | - | - | - | - | - | 150,118 | 150,118 | (94) | 150,024 |
| Translation adjustment | - | - | - | - | 18,329 | - | - | - | - | 18,329 | - | 18,329 |
| Cash flow hedge reserve | - | - | - | - | - | - | - | 8,488 | - | 8,488 | - | 8,488 |
| <i>Other changes in the comprehensive income statement</i> | - | - | - | - | 18,329 | - | - | 8,488 | - | 26,817 | - | 26,817 |
| Comprehensive profit for the period | - | - | - | - | 18,329 | - | - | 8,488 | 150,118 | 176,934 | (94) | 176,841 |
| Shareholders' equity at 6/30/2021 | 55,948 | (114,062) | 18,155 | 11,190 | (8,658) | 14,727 | 114,062 | 893,966 | 150,118 | 1,135,446 | 1,547 | 1,136,993 |
| 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 |
| Appropriation of previous year's profit | - | - | - | - | - | - | - | 310,968 | (310,968) | - | - | - |
| Dividends paid | - | - | - | - | - | - | - | (57,494) | - | (57,494) | - | (57,494) |
| Stock options and other changes | - | - | - | - | - | 3,308 | - | 497 | - | 3,805 | - | 3,805 |
| Sale /(purchase) of treasury shares | - | (65,671) | - | - | - | - | 65,671 | (65,173) | - | (65,173) | - | (65,173) |
| Other changes | - | - | - | - | - | - | - | - | - | - | 40 | 40 |
| <i>Profit for the period</i> | - | - | - | - | - | - | - | - | 141,515 | 141,515 | (708) | 140,807 |
| Gains/(losses) from remeasurement of defined benefits plans, net of tax effect | - | - | - | - | - | - | - | 357 | - | 357 | - | 357 |

| | | | | | | | | | | | | |
|--|---------------|------------------|---------------|---------------|----------------|---------------|----------------|------------------|----------------|------------------|------------|------------------|
| Translation adjustment | - | - | - | - | 119,321 | - | - | - | - | 119,321 | - | 119,321 |
| Cash flow hedge reserve | - | - | - | - | - | - | - | 35,933 | - | 35,933 | - | 35,933 |
| <i>Other changes in the comprehensive income statement</i> | - | - | - | - | <i>119,321</i> | - | - | <i>36,290</i> | - | <i>155,253</i> | - | <i>155,610</i> |
| Comprehensive profit for the period | - | - | - | - | 119,321 | - | - | 36,290 | 141,515 | 297,125 | (708) | 296,417 |
| Shareholders' equity at 6/30/2022 | 55,948 | (185,693) | 18,155 | 11,190 | 165,528 | 20,619 | 185,693 | 1,131,686 | 141,515 | 1,544,640 | 894 | 1,545,534 |

6. NOTES TO THE CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

General information and scope of consolidation

General information

The DiaSorin Group is specialized in the development, manufacture and distribution of immunodiagnosics and molecular diagnostics tests and, 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.

The Group's Parent Company, DiaSorin S.p.A., is in Via Crescentino (no building No.), Saluggia (VC).

Principles for the preparation of the condensed half-year consolidated financial statements

The accounting standards applied to prepare this Half-Year Consolidated Financial Statements are consistent with those used for the Annual Consolidated Financial Statements at December 31, 2021 that have been included in the new projections as described in paragraph "New accounting standards".

These condensed half-year consolidated financial statements were prepared in compliance with the International Financial Reporting Standards ("IFRSs"), as issued by the International Accounting Standards Board ("IASB") and adopted by the European Union. The designation IFRSs also includes the International Accounting Standards ("IASs") that are still in effect and all of the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

This half-year report was prepared in accordance with the requirements of the relevant international accounting standard (IAS 34 - Interim Financial Reporting).

These notes provide information in summary form, in order to avoid duplicating information published previously, as required by IAS 34. Specifically, these notes discuss only those components of the income statement and balance sheet the composition or change in amount of which require comment in order to understand the Group's operating performance, financial performance and financial position.

Consequently, these condensed half-year consolidated financial statements do not provide all of the disclosure required in the annual financial statements and should be read in conjunction with the annual financial statements prepared for the year ended December 31, 2021.

When preparing interim financial statements, management is required to develop estimates and assumptions that affect the amounts shown for revenues, expenses, assets and liabilities in the financial statements and the disclosures provided with regard to contingent assets and liabilities on the date of the interim financial statements. If such estimates and assumptions, which were based on management's best projections, should differ from actual events, they will be modified appropriately when the relevant events produce the abovementioned differences.

Moreover, certain valuation processes, particularly the more complex processes such as determining whether the value of non-current assets has been impaired, are carried out fully only in connection with the preparation of the annual financial statements, when all the necessary information is available, except when there are impairment indicators that require an immediate evaluation of any impairment losses that may have occurred.

The process of preparing the condensed half-year consolidated financial statements included developing the actuarial valuation required to compute the provisions for employees' benefits, supplementary customer indemnity and value the stock option plan.

All the other items that are subject to valuation are described in the notes to the consolidated financial statements at December 31, 2021.

The income tax liability is recognized using the best estimate of the weighted average tax rate projected for the entire year referable to the companies included in the scope of consolidation.

In this consolidated Half-Year Report, all amounts are denominated in Euros and rounded to 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 condensed half-year 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

These condensed half-year consolidated financial statements include the financial statements of DiaSorin S.p.A., the Group's Parent Company, and those of its subsidiaries at June 30, 2022.

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.

No changes occurred in the scope of consolidation compared to December 31, 2021; worthy of note is the liquidation of DiaSorin I.N. UK Limited completed in May and the establishment of DiaSorin Italia S.r.l. in January. Further details are provided in paragraph “Significant events occurred after June 30, 2022, and business outlook”).

A list of direct and indirect investments in subsidiaries at June 30, 2022 and December 31, 2021 is provided below:

| Company | Country | At June 30, 2022 | | At December 31, 2021 | |
|---------------------------------|----------------|---------------------|---------------------|----------------------|---------------------|
| | | % held by the Group | % minority interest | % held by the Group | % minority interest |
| Direct interest | | | | | |
| DiaSorin Italia S.r.l. | Italy | 100% | - | - | - |
| 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 | United Kingdom | 100% | - | 100% | - |
| DiaSorin Inc. | United States | 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 Ireland 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% | - | 100% | - |

| Indirect interest | | | | | | |
|---|----------------|------|---|------|---|---|
| DiaSorin Canada Inc | Canada | 100% | - | 100% | - | - |
| DiaSorin Healthcare India Private Limited | India | 100% | - | 100% | - | - |
| DiaSorin Molecular LLC | United States | 100% | - | 100% | - | - |
| Luminex Corporation | United States | 100% | - | 100% | - | - |
| Luminex International, Inc. | United States | 100% | - | 100% | - | - |
| Nanosphere LLC | United States | 100% | - | 100% | - | - |
| ChandlerTec LLC | United States | 100% | - | 100% | - | - |
| Iris Biotech LLC | United States | 100% | - | 100% | - | - |
| Amins LLC | United States | 100% | - | 100% | - | - |
| Luminex Molecular Diagnostics Inc. | Canada | 100% | - | 100% | - | - |
| Labpac Pty Ltd | Australia | 100% | - | 100% | - | - |
| Luminex B.V. | Netherlands | 100% | - | 100% | - | - |
| Luminex 2 B.V. | Netherlands | 100% | - | 100% | - | - |
| Luminex 3 B.V. | Netherlands | 100% | - | 100% | - | - |
| Luminex Japan Corp. Lts. | Japan | 100% | - | 100% | - | - |
| Luminex Trading (Shanghai) Co. Ltd. | China | 100% | - | 100% | - | - |
| Luminex Hong Kong Ltd. | Hong Kong | 100% | - | 100% | - | - |
| Luminex London Ltd. | United Kingdom | 100% | - | 100% | - | - |
| Luminex Munich GmbH | Germany | 100% | - | 100% | - | - |
| Luminex Paris SaS | France | 100% | - | 100% | - | - |

A complete list of the investee companies containing information about head office locations and the Group's ownership percentage is provided in Annex I.

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 Group consolidated the values of the acquired business from the date of completion of the transaction and acquisition of control. The difference between the consideration paid for the acquisition and the fair value of the acquired assets and liabilities was entered as "Goodwill".

The following table provides the assets and liabilities acquired at fair value arising from the allocation of the consideration paid for the acquisition which, as at the date of these Half-Year Financial Statements, is final:

| <i>(€ thousands)</i> | <i>Carrying amounts at the acquisition date</i> | <i>Fair value</i> |
|------------------------------------|---|-------------------|
| 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 | 152,386 | 152,386 |
| Current financial liabilities | 5,013 | 5,013 |
| TOTAL CURRENT LIABILITIES | 167,643 | 167,631 |
| TOTAL LIABILITIES | 426,209 | 594,071 |
| TOTAL ACQUIRED NET ASSETS | 173,259 | 842,582 |
| Goodwill | | 599,408 |
| Total fair value consideration | | 1,441,990 |

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 reporting periods beginning from January 1, 2022

| 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 |

IAS/IFRS and related IFRIC interpretations applicable to financial statements of reporting periods beginning after 1 January 2023.

| Title of the document | Date of issue | Date of entry into force | Date of endorsement | EU Regulation and date of publication |
|---|-----------------------|--------------------------|---------------------|---------------------------------------|
| 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 of reporting periods beginning after 1 January 2023. Documents NOT yet endorsed by the EU at 30 June 2022.

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 |
|--|---------------------------|--|--|
| 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 ¹ | 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 |

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 2022 - on the consolidated financial statements to the extent that they differ from those applied in the previous periods.

Improvements to IFRS (2018–2020 cycle) [Amendments to IFRS 1, to IFRS 9, to IFRS 16 and to IAS 41]

- *IFRS 9 Financial Instruments* – clarifies which fees should be included in the 10% test for derecognition of a financial liability.
- *IFRS 16 Leases* – amends Illustrative example 13 to remove illustration of payment from the lessors relating to leasehold improvements in order to remove potential for confusion regarding the treatment of lease incentives.

¹ The IASB is carrying out a project to amend the requirements of the document published in 2020 and postpone its entry into force to 1 January 2024. The Exposure Draft was published on 19 November 2021.

- *IFRS 1 First-time Adoption of International Financial Reporting Standards* – allows entities that have measured their assets and liabilities at carrying amounts recorded in the Parent Company’s financial statements to also measure any cumulative translation differences by using the amounts reported by the Parent Company. This amendment also applies to associated companies and joint ventures that benefitted from the same IFRS 1 exemption.
- *IAS 41 Agriculture* – removes the requirement to exclude cash flows for taxation when measuring fair value under IAS 41. The amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

Property, plant and equipment – Proceeds before intended use (Amendments to IAS 16)

The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while the entity is preparing the asset for its intended use. Sales proceeds and related costs will be recognized in profit or loss.

Onerous contracts – Costs of fulfilling a contract (Amendments to IAS 37)

The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Accordingly, the assessment of whether a contract is onerous includes not only incremental costs (e.g., the cost of direct material used in the work) but also costs that the enterprise cannot avoid because it entered into the contract (e.g., the portion of personnel cost and of the depreciation of machinery used to perform the contract).

Reference to the conceptual framework (Amendments to IFRS 3)

The amendments update the IFRS 3 reference to the Conceptual Framework in the revised version, without changing the provision of the IFRS 3 accounting standard.

All the amendments described above entered into force on January 1, 2022 and had no material impact on the Group’s financial statements at June 30, 2022.

New accounting standards not yet adopted by the Group and/or not yet endorsed

As regards standards and interpretations that had already been issued at the date of the Financial Statements, but had not yet entered into force, the Company is still assessing any potential impact arising from the introduction of such amendments, the application of which is not expected to have a significant impact on the Financial Statements. The Company will adopt such standards and interpretations, if applicable, when they come into force.

It should be noted that amendments and new accounting standards that have not yet been adopted and/or endorsed apply to reporting periods beginning on or after 1 January 2023. Early application is permitted, provided that the entity reports it.

IFRS 17 – Insurance contract (including amendments published in June 2020)

Given the activities and sector in which such accounting standard and related amendments operate, this standard is not applicable to the Group.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

Amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. Amendments also clarify what IAS 1 means when it refers to the “settlement” of a liability.

Any amendments to classification of liabilities should be applied retrospectively as required by IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2)

IASB amended IAS 1 to require entities to disclose their material accounting policy information rather than their significant accounting policies. The amendments define “material accounting policy information” and provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendment also clarifies that immaterial accounting policy information need not be disclosed.

Definition of Accounting Estimates (Amendments to IAS 8)

Amendments clarify how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to future transactions and other future events, while changes in accounting policies are generally applied retrospectively to past transactions and other past events, and to the current period.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

Amendments to IAS 12 require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. Previously, the IAS 12 did not clarify how to account for these tax effects and different approaches were accepted. Some entities may already have accounted for such transactions consistently with these amendments. These companies will not be affected by the amendments.

Sale or Contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and to IAS 28)

The amendments clarify accounting treatment of sales or contributions of assets between an investor and its associate or joint venture. The accounting treatment depends on whether the non-monetary assets sold or contributed constitutes a “business” (as defined by IFRS 3 - Business Combinations). Where the non-monetary assets constitute a business, the investor recognizes the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognized by the investor only to the extent of the other investor’s interests in the associate or joint venture.

Analysis of financial risks

The financial risks to which the Group is exposed include market risks and, to a lesser extent, credit risk and liquidity risk.

The table below lists material assets/liabilities in accordance with the requirements of IFRS 9:

| | | 6/30/2022 | | | | 12/31/2021 | | | |
|---------------------------------------|------|----------------|----------------|--------------------------|----------------------|---|----------------|--------------------------|----------------------|
| | | 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 | Assets at fair value |
| <i>(€ thousands)</i> | | | | | | | | | |
| Trade receivables | (17) | 201,225 | 201,225 | - | - | 217,588 | 217,588 | - | - |
| Financial derivatives | (21) | 45,633 | - | (262) | 45,895 | 6,245 | - | (1,037) | 7,282 |
| Cash and cash equivalents | (19) | 382,441 | 382,441 | - | - | 403,020 | 403,020 | - | - |
| Total current financial assets | | 629,299 | 583,666 | (262) | 45,895 | 626,853 | 620,608 | (1,037) | 7,282 |
| Total financial assets | | 629,299 | 583,666 | (262) | 45,895 | 626,853 | 620,608 | (1,037) | 7,282 |

| | | 6/30/2022 | | | 12/31/2021 | | |
|--|------|------------------|------------------|-------------------------------|---------------------------|------------------|-------------------------------|
| | | Notes | Carrying value | Liabilities at amortized cost | Liabilities at fair value | Carrying value | Liabilities at amortized cost |
| <i>(€ thousands)</i> | | | | | | | |
| Due for Put/Call option rights | (24) | 6,107 | - | 6,107 | 6,107 | - | 6,107 |
| Financial lease liabilities (IFRS 16) | (21) | 66,852 | 66,852 | - | 66,479 | 66,479 | - |
| Non-current liabilities | (21) | 1,305,287 | 1,305,287 | - | 1,228,268 | 1,228,268 | - |
| Total non-current financial liabilities | | 1,378,246 | 1,372,139 | 6,107 | 1,300,854 | 1,294,747 | 6,107 |
| Trade payables | (25) | 75,494 | 75,494 | - | 84,773 | 84,773 | - |
| Financial lease liabilities (IFRS 16) | (21) | 9,613 | 9,613 | - | 9,644 | 9,644 | - |
| Current financial liabilities | (21) | 49,464 | 49,464 | - | 90,767 | 90,767 | - |
| Total current financial liabilities | | 134,570 | 134,570 | - | 185,184 | 185,184 | - |
| Total financial liabilities | | 1,512,816 | 1,506,709 | 6,107 | 1,486,038 | 1,479,931 | 6,107 |

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 June 30, 2022. These instruments are classified at level 2 and entered into other current financial assets for a net amount of € 45,633 thousand (including financial assets relating to IRS contracts for € 45,895 thousand and liabilities for € 262 thousand relating to the fair value of derivatives hedging exchange-rate exposure).

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, with the exception of liabilities for Put/Call option rights that are determined as the fair value of the redemption amount.

Duration of the financial liabilities is provided in Note 21.

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 U.S. 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 € 45,895 thousand at June 30, 2022.

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 € 7 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 € 300 million on the "currency translation reserve".

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 € 232 thousand at June 30, 2022 (negative fair value of € 1,037 thousand at December 31, 2021).

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 and the current unfavorable economic situation 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.

At June 30, 2022, past-due trade receivables were € 44,911 thousand, and were held mainly by the Group's Parent Company and by the US subsidiary, the Benelux area, the Spanish and German subsidiary. These past-due receivables were covered by an allowance for doubtful accounts amounting to € 11,264 thousand. In addition, in order to bridge the gap between contractual payment terms and actual collection times, the Group assigns its receivables to factors without recourse for receivables owed by Italian public entities.

A breakdown of trade receivables and provision for doubtful accounts, by maturity, at June 30, 2022 is as follows:

| Type | Due | 0 - 90 | 91 - 180 | 181 - 360 | Over 360 | Total due | Total receivables from third-party |
|--------------------------------|----------------|---------------|--------------|--------------|--------------|---------------|------------------------------------|
| Trade receivables | 167,578 | 27,101 | 2,887 | 2,784 | 12,140 | 44,911 | 212,489 |
| Expected loss rate | 0% | 4% | 19% | 31% | 72% | 25% | n.a |
| Provision for doubtful account | - | (1,150) | (559) | (854) | (8,702) | (11,264) | (11,264) |
| Net value | 167,578 | 25,951 | 2,328 | 1,929 | 3,439 | 33,647 | 201,225 |

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 to meet the obligations resulting from its capital investment programs, working capital requirements and the need to repay its indebtedness upon maturity.

At June 30, 2022, cash and cash equivalent were € 382,441 thousand, while payables to banks and to other financiers consisted of:

- DiaSorin Inc.'s bank loan - € 910,769 thousand;
- Convertible bond - € 443,982 thousand.

A breakdown of the net consolidated financial debt is as follows:

| <i>(€ thousands)</i> | | 6/30/2022 | 12/31/2021 |
|----------------------|--|------------------|------------------|
| A | Cash on hand | 382,441 | 403,020 |
| B | Cash equivalent | - | - |
| C | Other current financial assets | - | - |
| D | Current financial assets (A + B + C) | 382,441 | 403,020 |
| E | Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt) | 9,612 | 9,644 |
| F | Current portion of non-current financial debt | 34,817 | 90,767 |
| G | Current financial debt (E+F) | 44,429 | 100,411 |
| H | Net current financial debt (G - D) | (338,012) | (302,609) |
| I | Non-current financial debt (excluding the current portion and debt instruments) | 867,877 | 848,982 |
| J | Debt instruments | 443,982 | 439,520 |
| K | Trade payables and other non-current debts | - | - |
| L | Non-current financial debt (I + J + K) | 1,311,859 | 1,288,502 |
| M | Net financial debt (H + L) | 1,003,141 | 985,894 |

SEGMENT INFORMATION

In accordance with IFRS 8, the Company 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, Singapore, South Africa and UAE).

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, Latin 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, the 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 the 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 the 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 the Group level.

| | ITALY | | EUROPE | | NORTH AMERICA | | REST OF THE WORLD | | ELIMINATIONS | | CONSOLIDATED | |
|---------------------------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|-------------------|----------------|------------------|------------------|-----------------|-----------------|
| (€ thousands) | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| INCOME STATEMENT | | | | | | | | | | | | |
| Revenues from customers | 105,533 | 114,452 | 134,582 | 142,754 | 389,721 | 200,828 | 55,602 | 57,382 | - | - | 685,438 | 515,416 |
| Inter-segment revenues | 152,644 | 172,234 | 8,935 | 10,002 | 81,608 | 80,256 | (7) | 156 | (243,180) | (262,648) | - | - |
| Total revenues | 258,177 | 286,686 | 143,517 | 152,756 | 471,329 | 281,084 | 55,595 | 57,538 | (243,180) | (262,648) | 685,438 | 515,416 |
| Segment EBIT | 60,782 | 81,933 | 27,116 | 34,816 | 118,828 | 105,750 | 991 | 5,532 | (11,043) | (26,172) | 196,674 | 201,859 |
| Unallocated common costs | | | | | | | | | | | - | - |
| Operating margin | | | | | | | | | | | 196,674 | 201,859 |
| Other net income/(expense) | | | | | | | | | | | - | - |
| Financial income/(expense) | | | | | | | | | | | (14,894) | (5,749) |
| Result before taxes | | | | | | | | | | | 181,780 | 196,110 |
| Income taxes | | | | | | | | | | | (40,973) | (46,086) |
| Net result | | | | | | | | | | | 140,807 | 150,024 |
| OTHER INFORMATION | | | | | | | | | | | | |
| Investments in intang. | 5,720 | 1,546 | 173 | 8 | 18,120 | 19,192 | 347 | 240 | - | - | 24,360 | 20,986 |
| Invest. in prop.plant and equip | 7,581 | 13,239 | 5,666 | 6,124 | 15,213 | 14,658 | 5,490 | 1,780 | (1,219) | (1,450) | 32,731 | 34,350 |
| Total investments | 13,301 | 14,785 | 5,839 | 6,132 | 33,333 | 33,850 | 5,837 | 2,020 | (1,219) | (1,450) | 57,091 | 55,337 |
| Amortization of intangibles | (5,018) | (4,715) | (3,035) | (2,956) | (30,805) | (6,786) | (435) | (455) | 2,259 | 2,259 | (37,034) | (12,653) |
| Depre. of prop.plant and equip | (7,890) | (6,534) | (5,425) | (4,743) | (15,463) | (4,706) | (2,273) | (2,088) | 1,185 | 1,241 | (29,866) | (16,830) |
| Total amort. and deprec. | (12,908) | (11,249) | (8,460) | (7,699) | (46,268) | (11,492) | (2,708) | (2,543) | 3,444 | 3,500 | (66,900) | (29,483) |
| | ITALY | | EUROPE | | NORTH AMERICA | | REST OF THE WORLD | | ELIMINATIONS | | CONSOLIDATED | |
| | 6/30/2022 | 12/31/2021 | 6/30/2022 | 12/31/2021 | 6/30/2022 | 12/31/2021 | 6/30/2022 | 12/31/2021 | 6/30/2022 | 12/31/2021 | 6/30/2022 | 12/31/2021 |

STATEMENT OF FINANCIAL POSITION

| | | | | | | | | | | | | |
|---|----------------|----------------|----------------|----------------|------------------|------------------|---------------|---------------|------------------|------------------|------------------|------------------|
| Segment assets | 474,624 | 477,416 | 178,456 | 172,686 | 2,445,242 | 2,292,835 | 83,947 | 74,370 | (213,548) | (238,148) | 2,968,721 | 2,779,159 |
| Unallocated assets | | | | | | | | | | | 469,334 | 451,992 |
| Total assets | 474,624 | 477,416 | 178,456 | 172,686 | 2,445,242 | 2,292,835 | 83,947 | 74,370 | (213,548) | (238,148) | 3,438,055 | 3,231,152 |
| Segment liabilities | 125,215 | 136,249 | 89,765 | 113,286 | 113,513 | 141,218 | 45,784 | 36,607 | (123,503) | (155,368) | 250,774 | 271,992 |
| Unallocated liabilities | | | | | | | | | | | 1,641,746 | 1,591,220 |
| Shareholders' equity | | | | | | | | | | | 1,545,535 | 1,367,939 |
| Total liabilities and shareholders' equity | 125,215 | 136,249 | 89,765 | 113,286 | 113,513 | 141,218 | 45,784 | 36,607 | (123,503) | (155,368) | 3,438,055 | 3,231,152 |

Description and main changes

Consolidated income statement

1. Net revenues

In the first six months of 2022, net revenues, which are generated mainly through the sale of diagnostic kits, were € 685,438 thousand (€ 515,416 thousand in the same period of 2021), +33.0% compared to the first half of 2021 (+25.1% at CER). A breakdown of revenues by geographic region is provided below:

| <i>(€ thousands)</i> | 1st half 2022 | 1st half 2021 | Change |
|----------------------|---------------------------------|---------------------------------|----------------|
| Europe and Africa | 247,970 | 246,844 | 1,126 |
| USA and Canada | 347,304 | 191,351 | 155,953 |
| Asia Pacific | 68,558 | 56,460 | 12,098 |
| Latin America | 21,606 | 20,762 | 844 |
| Total | 685,438 | 515,416 | 170,022 |

The increase is due both to the Luminex inclusion in the scope of consolidation and the strong performance of DiaSorin immunodiagnostic and molecular diagnostic business, partly offset by the expected decline of COVID sales. With reference to Luminex Group's revenues, it should be noted that the main outlet market refers to "United States and Canada".

2. Cost of sales

Cost of sales amounted to € 235,896 thousand, as against € 160,081 thousand in the first half of 2021. This item includes € 18,401 thousand for royalties paid for the use of patents applied to manufacture products (€ 12,654 thousand in 2021), and € 10,909 thousand in costs incurred to distribute products to end customers (€ 6,615 thousand in the first half of 2021) and € 11,679 thousand for depreciation of equipment held by customers (€ 8,067 thousand in 2021).

3. Sales and marketing expenses

Sales and marketing expenses were € 141,880 thousand, as against € 74,660 thousand in the first half of 2021. This item consists mainly of marketing costs incurred to promote and distribute DiaSorin and Luminex 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 € 19,187 thousand.

4. Research and development costs

In the first half of 2022, research and development costs, which were € 46,288 thousand (€ 23,504 thousand in the same period of 2021), include the research and development outlays that were not capitalized, equal to € 22,059 thousand (€ 11,049 thousand in the first half of 2021), costs incurred to register the products offered for sale and meet quality requirements totaling € 15,439 thousand (€ 8,384 thousand in the first half of 2021) and the amortization of capitalized development costs equal to € 8,791 thousand (€ 4,071 thousand in the first half of 2021). In the first half of 2022, the Group capitalized new development costs amounting to € 22,461 thousand, as against € 17,962 thousand in the first half of 2021; the increase in capitalized costs include the activities for the development of the LIAISON[®] NES and LIAISON[®] PLEX projects.

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 € 56,762 thousand in the first half of 2022, as against € 37,894 thousand in the same period of 2021.

6. Other operating income (expenses)

A breakdown of other operating income and expenses is as follows:

| <i>(€ thousands)</i> | 1st half 2022 | 1st half 2021 | Change |
|---|---------------------------------|---------------------------------|---------------|
| Tax liabilities | (555) | (578) | 23 |
| Accruals to the doubtful debts and provisions for risks and charges | (344) | (1,593) | 1,249 |
| Out-of-period items and other operating income (expense) | (3,158) | (2,361) | (797) |
| Non-recurring expenses | (3,881) | (12,886) | 9,005 |
| Other operating income (expense) | (7,938) | (17,418) | 9,480 |

The item provision for doubtful account and risks and charges includes provisions for doubtful account and the effect of administrative and legal costs for outstanding legal disputes.

The item out-of-period items and other operating income (expense) include income and expense from ordinary 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 and contingent gains and losses).

In the first half of 2022, non-recurring expenses amounting to € 3,881 thousand, include costs for the integration of the Luminex Group.

7. Financial income

In the first half of 2022, the Group reported financial income of € 2,798 thousand (€ 710 thousand in the first half of 2021), mainly related to foreign exchange gains of € 2,115 thousand (€ 466 thousand in the first half of 2021).

8. Financial expense

The table below provides a breakdown of financial expense:

| <i>(€ thousands)</i> | 1st half 2022 | 1st half 2021 | Change |
|--|---------------------------------|---------------------------------|-----------------|
| Factoring transactions fees | (176) | (341) | 165 |
| Interest and other financial charges | (17,304) | (5,935) | (11,369) |
| <i>including: interest expense on leases</i> | <i>(1,447)</i> | <i>(780)</i> | <i>(667)</i> |
| Interest on pension funds | (213) | (183) | (30) |
| Total financial expense | (17,692) | (6,459) | (11,233) |

In the first half of 2022, net financial expense amounted to € 17,692 thousand, as against € 6,459 thousand in the first half of 2021.

Interest expense and other financial charges include:

- € 7,624 thousand for the bank loan to support the acquisition of Luminex; the loan provides for quarterly interest payment;
- € 4,046 thousand for financial charges arising from accounting, at amortized cost, the debt portion of the convertible bond issued by the Group's Parent Company in 2021;
- € 1,447 thousand relating to financial interest on leases deriving from the IFRS 16 accounting standard application (€ 780 thousand in the first half of del 2021).

9. Income taxes

Income taxes recognized in the income statement amounted to € 40,973 thousand in the first half of 2022 (€ 46,086 thousand in 2021). The tax rate was 22.5%, as against 23.5% in the first half of 2021.

10. Earnings per share

Basic earnings per share amounted to € 2.58 in the first half of 2022 and to € 2.63 in the same period of 2021; diluted earnings per share amounted to € 2.57 in the first half of 2022, as against € 2.61 in the first half of 2021. 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 (54,665,315 at June 30, 2022 as against 57,002,555 at June 30, 2021).

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 DiaSorin ordinary shares in the first half of 2022.

Consolidated statement of financial position

11. Property, plant and equipment

The tables below show the changes that occurred in the original cost of property, plant and equipment in the first half of 2022:

| (€ thousands) | At December 31, 2021 | Additions | Depreciations | Divestments | Translation differences | Reclassifications and other charges | At June 30, 2022 |
|--|----------------------|---------------|---------------|--------------|-------------------------|-------------------------------------|------------------|
| Land | 4,981 | - | - | - | 262 | - | 5,243 |
| Buildings | 16,614 | 556 | 555 | - | 727 | 62 | 17,404 |
| Plant and machinery | 20,042 | 218 | 1,880 | - | 538 | 1,037 | 19,955 |
| Manufacturing and distribution equipment | 93,929 | 10,580 | 17,893 | 1,727 | 4,643 | 1,557 | 91,089 |
| Other assets | 40,437 | 3,749 | 3,452 | 436 | 2,858 | 1,955 | 45,111 |
| Construction in progress and advances | 27,607 | 16,031 | - | - | 1,657 | (5,941) | 39,354 |
| IFRS 16 right of use | 72,586 | 1,597 | 6,086 | 636 | 3,979 | 276 | 71,716 |
| Total property, plant and equipment | 276,197 | 32,731 | 29,866 | 2,799 | 14,664 | (1,054) | 289,873 |

Additions to manufacturing and distribution equipment include equipment provided to customers under gratuitous loan contracts, amounting to € 8,488 thousand compared to € 11,734 thousand in the first half of 2021. Depreciation for the period totaled € 10,320 thousand, as against € 10,333 thousand in the same period of 2021.

Tangible assets include “Right-of-use Assets” for a total amount of € 71,716 thousand at June 30, 2022. The item includes right-of-use assets relating to rented property and industrial buildings, amounting to € 65,588 thousand (€ 65,583 thousand at December 31, 2021), along with right-of-use assets relating to company vehicles rentals amounting to € 6,128 thousand (€ 7,002 thousand at December 31, 2021).

12. Goodwill and other intangible assets

The table below provides a breakdown of changes in the net carrying amount of goodwill and other intangible assets in the first half of 2022:

| (€ thousands) | At December 31, 2021 | Additions | Amortizations | Translation differences | Divestments and other charges | At June 30, 2022 |
|---|----------------------|---------------|---------------|-------------------------|-------------------------------|------------------|
| Goodwill | 789,631 | - | - | 67,449 | (1,089) | 855,991 |
| Development costs | 285,496 | 22,461 | 8,791 | 23,067 | - | 322,233 |
| Concessions, licenses and trademarks | 132,098 | 1,101 | 8,153 | 10,722 | 1,262 | 137,029 |
| Customer relationship | 720,507 | - | 19,275 | 60,024 | - | 761,256 |
| Industrial patents and intellectual property rights | 1,770 | 6 | 374 | 20 | - | 1,422 |
| Advances and other intangibles | 13,869 | 804 | 442 | 704 | - | 14,936 |
| Total intangible assets | 1,943,370 | 24,373 | 37,034 | 161,985 | 173 | 2,092,867 |

Goodwill amounted to € 855,991 thousand at June 30, 2022 (€ 789,631 thousand at December 31, 2021); the change of the period is due to the change in the exchange rates.

Goodwill is allocated to the following CGUs:

- DiaSorin North America (USA): € 799,690;
- DiaSorin Italy: € 46,437;
- DiaSorin Germany: € 6,840;
- DiaSorin Brazil: € 2,242;
- DiaSorin Belgium: € 765.

In the first half of 2022, capitalized development costs amounted to € 22,461 thousand and relate to LIAISON[®] NES and LIAISON[®] PLEX projects.

The company Management has not identified any impairment indicators and therefore no impairment test has been carried out for intangible assets with an indefinite useful life.

The company Management will update its assessments through an impairment test that will be fully developed during the preparation of the annual financial statements at December 31, 2022.

13. Equity investments

Non-consolidated equity investments totaled € 26 thousand at June 30, 2022 and refer to shares in non-controlled companies. No changes occurred compared to December 31, 2021.

14. Deferred-tax assets and deferred-tax liabilities

Deferred-tax assets amounted to € 40,973 thousand (€ 38,230 thousand at December 31, 2021) 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 € 200,108 thousand (€ 185,337 thousand at December 31, 2021) relate to consolidated companies that have deferred-tax liabilities in excess of deferred-tax assets.

Deferred-tax assets were recognized in the financial statements when their future use and their recoverability through future taxable income expected on the basis of multiannual plans prepared by the Group's management were deemed to be probable. The same approach was used to recognize the benefit provided by the use of tax loss carryforwards which, considering the different regulatory provisions of the countries where the Group operates, can be brought forward indefinitely.

Based on the multiannual 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:

| <i>(€ thousands)</i> | 6/30/2022 | 12/31/2021 |
|--|------------------|-------------------|
| Deferred-tax assets | 40,973 | 38,230 |
| Deferred-tax liabilities | (200,108) | (185,337) |
| Total net deferred-tax assets (liabilities) | (159,135) | (147,107) |

15. Other non-current assets

Other non-current assets amounted to € 3,816 thousand at June 30, 2022 (€ 4,323 thousand at December 31, 2021) They consist mainly of receivables from the Parent Company and the Belgian, Brazilian, U.S. and Chinese subsidiaries due beyond 12 months.

16. Inventories

A breakdown of inventories, which totaled € 313,392, thousand is provided below:

| <i>(€ thousands)</i> | 6/30/2022 | 12/31/2021 |
|----------------------|------------------|-------------------|
|----------------------|------------------|-------------------|

| | Gross amount | Write-down provisions | Net amount | Gross amount | Write-down provisions | Net amount |
|----------------------------|----------------|-----------------------|----------------|----------------|-----------------------|----------------|
| Raw materials and supplies | 173,793 | (22,277) | 151,516 | 172,435 | (23,003) | 149,432 |
| Work in progress | 85,340 | (6,271) | 79,069 | 82,004 | (6,398) | 75,606 |
| Finished goods | 103,679 | (20,872) | 82,807 | 93,815 | (20,804) | 73,011 |
| Total | 362,812 | (49,420) | 313,392 | 348,254 | (50,205) | 298,049 |

The increase of € 15,343 thousand compared to December 31, 2021, is due to fluctuations in foreign exchange rates.

The table below shows the changes that occurred in the provisions for inventory write-downs:

| <i>(€ thousands)</i> | 6/30/2022 | 12/31/2021 |
|---|---------------|---------------|
| Opening balance | 50,205 | 10,409 |
| Business combinations | - | 24,153 |
| Additions for the year | 939 | 23,182 |
| Utilizations/Reversals for the year | (3,875) | (9,784) |
| Translation differences and other changes | 2,151 | 2,245 |
| Closing balance | 49,420 | 50,205 |

17. Trade receivables

Trade receivables totaled € 201,225 thousand at June 30, 2022 (€ 217,588 thousand at December 31, 2021). The decrease compared to December 31, 2021 is mainly due to lower revenues in the second quarter of 2022 compared to the fourth quarter of 2021.

The allowance for doubtful accounts amounted to € 11.264 thousand. The table that follows shows the changes against December 31, 2021:

| <i>(€ thousands)</i> | 6/30/2022 | 12/31/2021 |
|---|---------------|---------------|
| Opening balance | 11,969 | 8,737 |
| Business combinations | - | 2,229 |
| Additions for the period | 326 | 1,172 |
| Utilizations/Reversals for the period | (1,652) | (344) |
| Translation differences and other changes | 621 | 175 |
| Closing balance | 11,264 | 11,969 |

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 the first half of 2022, the receivables assigned by the Group's Parent Company amounted to € 28,113 (€ 42,245 thousand in the first half of 2021).

18. Other current assets

Other current assets amounted to € 67,546 thousand (€ 39,634 thousand at December 31, 2021) and consist of tax credits amounting to € 41,578 thousand (€ 18,630 thousand at December 31, 2021), sundry receivables, accrued income and prepayments equal to € 18,621 thousand (€ 13,114 thousand at December 31, 2021).

19. Cash and cash equivalents

Cash and cash equivalents amounted to € 382,441 thousand at June 30, 2022 (€ 403,020 thousand at December 31, 2021) and consist of ordinary bank accounts and similar money market instruments.

More detailed information is provided in the Statement of Cash Flows above.

20. Shareholders' equity

Share capital

At June 30, 2022, 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, 2021.

Treasury shares

At June 30, 2022, the amount of treasury shares was 1,744,328 (3.12% of the share capital) totaling € 185,693 thousand. At December 31, 2021, the amount of treasury shares was 1,202,000 (2.15% of the share capital) totaling € 120,022 thousand.

On May 6, 2022, the Board of Directors approved the start up of the treasury shares buy-back plan pursuant to the resolution of the Shareholders' Meeting dated April 29, 2022, in order to dispose of treasury shares to be allocated to (i) holders of convertible bonds issued by the Company, as an alternative to the shares resulting from the capital increase approved by the Shareholders' Meeting on October 4, 2021, in the event of exercise of the conversion right in accordance with the provisions of the equity-linked loan regulation and (ii) for incentive and loyalty plans adopted by the Company, for a maximum total amount of 1,500,000 ordinary shares, equal to 2.68% of the Company's share capital. Purchases will be made within a period of 18 months from the date of the above resolution and thus by October 29, 2023.

The first half of 2022 reported purchases of treasury shares, amounting to € 67,165 thousand, and exercises of 25,000 shares, this latter amount related to 2016 stock option plan (15,000 stock options), and 2017 stock option plan (10,000 stock options) for a total value of € 1,494 thousand.

Additional paid-in capital

This reserve amounted to € 18,155 thousand at June 30, 2022 and no changes occurred compared with December 31, 2021.

Statutory reserve

This reserve amounted to € 11,190 thousand at June 30, 2022 and no changes occurred compared with December 31, 2021.

Other reserves and retained earnings

A breakdown of other reserves and retained earnings is as follows:

| <i>(€ thousands)</i> | 6/30/2022 | 12/31/2021 | Change |
|---|------------------|-------------------|---------------|
| Currency translation reserve | 165,528 | 46,208 | 119,320 |
| Reserve for treasury shares | 185,693 | 120,022 | 65,671 |
| Stock option reserve | 20,619 | 17,312 | 3,307 |
| Gains/Losses on remeasurements of defined benefit plans | (9,991) | (10,348) | 357 |
| Retained earnings | 1,107,884 | 854,410 | 253,474 |
| IFRS transition reserve | (2,973) | (2,973) | - |

| | | | |
|---|------------------|------------------|----------------|
| Other reserves | 36,764 | 65,507 | (28,743) |
| Total other reserves and retained earnings | 1,503,525 | 1,090,138 | 413,387 |
| Total other reserves and retained earnings attributable to minority interest | 854 | 1,798 | (944) |

Currency translation reserve

This item was positive by € 165,528 thousand (positive by € 46,208 thousand at December 31, 2021) 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 increase of € 119,320 thousand was due to the fluctuation of the exchange rate of the U-S. dollar vis-à-vis the Euro.

Reserve for treasury shares

At June 30, 2022, the reserve for treasury shares amounted to € 185,693 thousand (€ 120,022 thousand at December 31, 2021). This reserve was established pursuant to law (Article 2357 *ter* of the Italian Civil Code). In the first half of 2022, the change (equal to € 65,671 thousand) was due to the purchase of treasury shares (equal to € 67,165 thousand), net of the exercise of 25,000 shares to service the 2016 and 2017 Stock Option Plan (equal to € 1,494 thousand).

Stock option reserve

The balance in the stock option reserve, which amounted to € 20,619 thousand (€ 17,312 thousand at December 31, 2021) refers to the stock option plans in effect at June 30, 2022.

On April 29, 2022, the ordinary Shareholders' Meeting approved an incentive and loyalty plan called "Equity Awards Plan" for managers and key employees of DiaSorin S.p.A. and other DiaSorin Group companies. The plan will be implemented through the assignment – without consideration – of rights which, if accrued upon the fulfilment of the conditions, grant the right to receive without consideration ordinary treasury shares in the Company's portfolio, at a ratio of 1 share for every right accrued. In May 2022 the list of beneficiaries was approved and 53,478 rights to receive shares.

The increase in the reserve was due to the recognition of the overall cost of the period (€ 3,307 thousand) recognized in general and administrative expenses.

Gains/(losses) on remeasurement of defined benefit plans

This item was negative by € 9,991 thousand at June 30, 2022 (negative by € 10,348 thousand at December 31, 2021).

Retained earnings

Retained earnings amounted to € 1,107,884 thousand (€ 854,410 thousand at December 31, 2021). The change, equal to € 253,474 thousand, compared to December 31, 2021, was due to the:

- appropriation of the consolidated net profit earned by the Group in 2021, amounting to € 310,732 thousand;
- dividend distribution to the shareholders, amounting to € 57,494 thousand, as resolved by the ordinary Shareholders' Meeting on April 29, 2022 (equal to € 1.05 per share).

IFRS transition reserve

The IFRS transition reserve was established on January 1, 2005 and no changes occurred since its establishment.

Other reserves

The item, positive by € 36,764 thousand, includes the equity portion relating to the Parent Company's convertible bond, the put/call option valuation relating to the Chinese Joint Venture and the equity component of IRS derivative to hedge interest rate fluctuations on the Term Loan.

21. Financial assets and liabilities

Payables for financial liabilities were € 1,431,477 thousand at June 30, 2022 (€ 1,399,629 at December 31, 2021) as against financial assets of € 45,895 thousand (€ 10,716 at December 31, 2021), broken down as follows:

| 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 | 49,464 | 861,305 | 861,305 | - | 910,769 |
| DiaSorin S.p.A. Convertible Bonds | - | 443,982 | - | 443,982 | 443,982 |
| IFRS 16 lease payables | 9,612 | 66,853 | 31,955 | 34,898 | 76,465 |
| Other current financial liabilities | 262 | - | - | - | 262 |
| Total financial liabilities | 59,338 | 1,372,140 | 893,260 | 478,880 | 1,431,477 |
| Hedging derivatives | 45,895 | - | - | - | 45,895 |
| Total financial assets | 45,895 | - | - | - | 45,895 |
| Total financial assets/liabilities | 13,443 | 1,372,140 | 893,260 | 478,880 | 1,385,582 |

The table below lists the changes in financial assets and liabilities outstanding at June 30, 2022 compared to December 31, 2021:

| Type of financial liability | At December 31, 2021 | Additions | Repayments | At amortized cost | Translation differences and other movements | At June 30, 2022 |
|---|----------------------|-----------------|-----------------|-------------------|---|------------------|
| DiaSorin Inc. Term Loan | 879,516 | 7,624 | (54,127) | 660 | 77,096 | 910,769 |
| DiaSorin S.p.A. Convertible Debt | 439,520 | - | - | 4,462 | - | 443,982 |
| Hedging derivatives | 3,434 | - | - | - | (3,434) | - |
| Other current financial liabilities | 1,037 | - | - | - | (775) | 262 |
| IFRS 16 lease payables | 76,122 | 2,371 | (6,394) | - | 4,366 | 76,465 |
| Total financial liabilities | 1,399,629 | 9,995 | (60,521) | 5,122 | 77,253 | 1,431,477 |
| Hedging derivatives | 10,716 | 32,499 | - | - | 2,680 | 45,895 |
| Total financial assets | 10,716 | 32,499 | - | - | 2,680 | 45,895 |
| Total financial assets/liabilities | 1,388,913 | (22,504) | (60,521) | 5,122 | 74,573 | 1,385,582 |

Compared to the balance at December 31, 2021, financial liabilities include the repayment, in April, of a principal of USD 50,000,000 related to the “Term Loan”, plus € 8,466 thousand in interest payment

Interest accrues on the amount financed at an annual rate equal to Libor plus a spread which is variable according to the value of the ratio between consolidated net financial indebtedness and consolidated 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 that at June 30, 2022 complied with the requirements set.

This liability is measured at amortized cost and, at June 30, 2022, amounted to € 910,769 thousand.

Hedging derivatives include the Fair Value of the IRS (Interest Rate Swap) to hedge interest rate fluctuations in relation to the Term Loan, whose value is € 45,984 thousand, with a positive change by € 38,612 compared to December 31, 2021.

22. Provisions for employee severance indemnities and other employee benefits

The balance in this account reflects all 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 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.

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 period in which they arise.

Other benefits

The Group 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”. Actuarial gains and losses resulting from the determination of these items are recognized in the income statement.

The table that follows lists the Group’s main employee benefit plans that are currently in effect:

| <i>(€ thousands)</i> | 6/30/2022 | 12/31/2021 | Change |
|---|------------------|-------------------|---------------|
| Employee benefits | | | |
| <i>provided in:</i> | | | |
| - Italy | 6,659 | 6,852 | (193) |
| - Germany | 30,072 | 29,781 | 291 |
| - Sweden | 2,352 | 2,516 | (164) |
| - other countries | 1,650 | 1,768 | (118) |
| Total employee benefits | 40,734 | 40,917 | (184) |
| <i>Broken down as follows:</i> | | | |
| - Defined-benefit plans | | | |
| <i>provision for employee severance indemnities</i> | 2,517 | 2,847 | (330) |
| <i>other defined-benefit plans</i> | 32,424 | 33,087 | (663) |
| | 34,941 | 35,934 | (993) |
| - Other long-term benefits | 5,793 | 4,983 | 810 |
| Total employee benefits | 40,734 | 40,917 | (184) |

The table below shows the main changes that occurred in the Group’s employee benefit plans compared to December 31, 2020 (amounts in € thousands):

| <i>(€ thousands)</i> | Defined-benefit plans | Other benefits | Total employee benefits |
|---|------------------------------|-----------------------|--------------------------------|
| Balance at 12/31/2021 | 35,934 | 4,983 | 40,917 |
| Interest cost | 222 | (9) | 213 |
| Actuarial losses/(gains) recognized in income statement | (320) | 72 | (248) |
| Current service cost | 449 | 263 | 712 |
| Benefits paid | (442) | 6 | (436) |
| Translation differences and other changes | (901) | 478 | (423) |
| Balance at 6/30/2022 | 34,941 | 5,794 | 40,735 |

23. Provisions for risks and charges

The item amounted to € 26,443 thousand at June 30, 2022 (€ 25,392 thousand at December 31, 2021) and refer to provisions set aside for pending disputes and provisions for employee severance indemnities.

The table below lists the change in provisions for risks and charges:

| <i>(€ thousands)</i> | 6/30/2022 | 12/31/2021 |
|--------------------------|------------------|-------------------|
| Opening balance | 25,392 | 12,214 |
| Additions for the period | 1 | 3,418 |

| | | |
|---|---------------|---------------|
| Utilizations/Reversals for the period | (69) | (757) |
| Translation differences and other changes | 1,119 | 10,517 |
| Closing balance | 26,443 | 25,392 |

24. Other non-current liabilities

Other non-current liabilities of € 19,417 thousand at June 30, 2022 (€ 18,591 thousand at December 31, 2021) include long-term liabilities for put/call option rights on the Chinese subsidiary's minorities recognized under the IAS 32 and IFRS 9 accounting standards and in compliance with the IFRS 10.

25. Trade payables

At June 30, 2022, trade payables were € 75,494 thousand (€ 84,773 thousand at December 31, 2021) and include amounts owed to external suppliers for the purchase of goods and services. There are no amounts due after one year.

26. Other payables

Other payables of € 88,686 thousand at June 30, 2022 (€ 102,319 thousand at December 31, 2021) consist mainly of amounts owed to employees for additional monthly payments to be paid, equal to € 52,902 thousand (€ 46,146 thousand at December 31, 2021), accruals and deferred charges (€ 25,290) contributions payable to social security and health benefit institutions.

27. Income taxes payable

The balance of € 10,161 thousand at June 30, 2022 (€ 6,255 thousand at December 31, 2021) 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.

28. Commitment and contingent liabilities

Guarantees provided

At June 30, 2022, the guarantees that the Group provided to third parties totaled € 939,603 thousand and include bank sureties in connection with the submission of bids in response to public calls for tenders and outstanding financing facilities (€ 18,504 thousand). These guarantees were established to secure lines of credit provided to Group companies (€ 918,747 thousand), and in connection with defined-contribution pension plans of certain subsidiaries (€ 2,352 thousand).

Significant commitments and contractual obligations

Significant contractual obligations include the agreements executed by the Parent Company DiaSorin S.p.A. and Stratec in connection with the development and production of new chemiluminescent diagnostic system LIAISON XL and LIAISON XS. 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.

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, overall, the amounts set aside for pending legal disputes in the corresponding provision for risks are adequate.

29. 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.

It should be noted that in the first half of 2022, as part of the integration process of Luminex into DiaSorin, intra-group customer relationship sales were executed between Luminex Corporation and certain European subsidiaries, in order to serve customers in countries where the Group has subsidiaries in a more efficient manner. These transactions were carried out under market conditions.

The reorganization of the Group's corporate structure included the following under common control transactions:

- Sale of the equity investment held by Luminex 3 B.V. in Luminex Paris Sas to DiaSorin S.A.;
- Sale of the equity investment held by Luminex 3 B.V. in Luminex Munich GmbH to DiaSorin Deutschland GmbH;
- Sale of the branch of business between Luminex London Ltd e DiaSorin Ltd.

The transactions above did not impact the balances of these consolidated financial statements.

The incidence of related-party transactions on the single items of the balance sheet, income statement and cash flows is not material.

In the first half of 2022, the total amount owed to directors and strategic executives recognized in the income statement was € 3,729 thousand (€ 3,143 thousand in the first half of 2021).

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.

30. Significant events occurring after June 30, 2022 and business outlook

The project for the redefinition of the corporate structure of the DiaSorin Group in Italy (the "operation"), which was already approved by the Board of Directors of DiaSorin S.p.A. (the "Company") on December 16, 2021 and May 6, 2022, was executed on June 7, 2022.

Its implementation was envisaged through the contribution in kind of the branch of DiaSorin business (the "Branch") related to the operating activities carried out in Italy and in the United

Kingdom - the latter, through a branch- i.e., (industrial activities, R&D, commercial and marketing activities and those other ancillary activities in support thereof) in favor of DiaSorin Italia S.r.l. (“DiaSorin Italia”), a wholly-owned direct subsidiary of DiaSorin S.p.A..

Following completion of the operation, DiaSorin S.p.A. will be in charge of the definition and the development of the strategic orientation, treasury and coordination activities for the benefit of the whole Group, while the management of the operating activities carried out in Italy and in the United Kingdom will be delegated to DiaSorin Italia.

As regards its accounting representation, this operation qualifies as an under common control transaction and, consequently, does not fall within the scope of IFRS 3 application – Business Combinations; for the determination of a proper accounting treatment according to the IFRS the Company used Assirevi’s Preliminary Orientation - OPI N°1 (Revised) that requires that such transactions are carried out without any change to the values concerned.

As regards business outlook, the management revised upwards its guidance on both revenues and profitability, mainly due to an upturn in sales of Covid tests, and expects that in 2022 the DiaSorin Group should be able to deliver:

- Revenues: growth of approx. +2% compared to 2021, of which COVID-related revenues amounting to approx. € 200 million and ex-COVID revenues increasing by approx. 24%
- ADJUSTED EBITDA MARGIN equal to approx. 38%.

31. Transactions resulting from atypical and/or unusual activities

Consistent with Consob Communication no. DEM/6064293 of July 28, 2006, 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.

32. Material non-recurring events and transactions

No material non-recurring events or transactions occurred in the first half of 2022, as defined by Consob Resolution no. 15519 of July 27, 2006 and by Consob Communication no. DEM/6064293 of July 28, 2006.

7. ANNEX I: THE COMPANIES OF THE DIASORIN GROUP AT JUNE 30, 2022

| | Head office location | Currency | Share capital (*) | Par value per share or partnership interest | % interest held directly | Number of shares or partnership interests held |
|---|-------------------------------|----------|----------------------|--|-----------------------------|--|
| Equity investments consolidated line by line | | | | | | |
| DiaSorin Italia S.r.l. | Saluggia (Italy) | EUR | 10,000 | 10,000 | 100.00% | 1 |
| DiaSorin S.A/N.V. | Bruxelles (Belgium) | EUR | 1,674,000 | 6,696 | 99.99% | 249 |
| DiaSorin Ltda | Sao Paolo (Brazil) | BRL | 65,547,409 | 1 | 99.99% | 65,547,408 |
| DiaSorin S.A. | Antony (France) | EUR | 960,000 | 15,3 | 99.99% | 62,492 |
| DiaSorin Iberia S.A. | Madrid (Spain) | EUR | 1,453,687 | 6,01 | 99.99% | 241,877 |
| DiaSorin Ltd | Dartford (UK) | GBP | 500 | 1 | 100.00% | 500 |
| DiaSorin Inc. | Stillwater (USA) | USD | 1 | 0,01 | 100.00% | 100 |
| DiaSorin Canada Inc | Mississauga (Canada) | CAD | 200,000 | N/A | - | 100 Class A common shares |
| DiaSorin Molecular LLC | Cypress (USA) | USD | 100,000 | 100,000 | - | 1 |
| DiaSorin Mexico S.A de C.V. | Mexico City (Mexico) | MXP | 63,768,473 | 1 | 99.99% | 49,999 |
| DiaSorin Deutschland GmbH | Dietzenbach (Germany) | EUR | 275,000 | 275,000 | 100.00% | 1 |
| DiaSorin AB | Solna (Sweden) | SEK | 5,000,000 | 100 | 100.00% | 50,000 |
| DiaSorin Ltd | Rosh HaAyin (Israel) | ILS | 100 | 1 | 100.00% | 100 |
| DiaSorin Austria GmbH | Vienna (Austria) | EUR | 35,000 | 35,000 | 100.00% | 1 |
| DiaSorin Czech s.r.o. | Prague (Czech Republic) | CZK | 200,000 | 200,000 | 100.00% | 1 |
| DiaSorin Ireland Limited | Dublin (Ireland) | EUR | 163,202 | 1,2 | 100.00% | 136,002 |
| DiaSorin I.N. Limited | Dublin (Ireland) | EUR | 1 | 0,01 | 100.00% | 100 |
| DiaSorin South Africa (PTY) Ltd | Sandton (South Africa) | ZAR | 101 | 1 | 100.00% | 101 |
| DiaSorin Australia (Pty) Ltd | Sydney (Australia) | AUD | 3,300,000 | 33,000 | 100.00% | 100 |
| DiaSorin Ltd | Shanghai (China) | RMB | 22,000,000 | 1 | 76.00% | 16,720,000 |
| DiaSorin Switzerland AG | Rotkreuz (Switzerland) | CHF | 100,000 | 100 | 100.00% | 1,000 |
| DiaSorin Poland sp. z o.o. | Warsaw (Poland) | PLN | 550,000 | 50 | 100.00% | 11,000 |
| DiaSorin Healthcare India Private Limited | Mumbai (India) | INR | 4,700,000 | 10 | 0.01% | 47,000 |
| DiaSorin APAC Pte. Ltd. | Singapore (Singapore) | EUR | 1 | 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 | 0,001 | - | 25,000,000 |
| Luminex International Inc. | Austin (USA) | USD | 1,000 | 0,001 | - | 1,000,000 |
| Luminex 2 BV | s'Hertogenbosch (Netherlands) | EUR | 90,000 | 1 | - | 90,000 |
| Luminex 3 BV | s'Hertogenbosch (Netherlands) | EUR | 90,000 | 1 | - | 90,000 |
| Luminex BV | s'Hertogenbosch (Netherlands) | EUR | 90,000 | 1 | - | 90,000 |
| Labpac Pty Ltd | Sydney (Australia) | AUD | 100 | 1 | - | 100,00 |
| Luminex Japan Ltd | Tokyo (Japan) | JPY | 1 | 1 | - | 1,00 |
| Luminex Trading (Shanghai) Co. Ltd. | Shanghai (China) | RMB | 455,219 | N/A | - | - |
| Luminex Hong Kong Co. Ltd. | Hong Kong (Hong Kong) | HKD | 100 | 10 | - | 10,00 |
| Luminex London Ltd | London (UK) | GBP | 1 | 1 | - | 1 |
| Luminex Munich GmbH | Munich (Germany) | EUR | 25,000 | 1 | - | 25,000 |
| Luminex Paris SAS | Paris (France) | EUR | 10,000 | 1 | - | 10,000 |
| Luminex Molecular Diagnostics, Inc. | Toronto (Canada) | CAD | 10,000,000 | N/A | - | - |
| Nanosphere LLC | Wilmington (USA) | USD | 1,000 | 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 investments valued at cost | | | | | | |
| DiaSorin Deutschland Unterstuetzungskasse GmbH | Dietzenbach (Germany) | EUR | 25,565 | 1 | - | 1 |

(*) Amounts stated in the local currency

8. CERTIFICATION TO THE CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to article 81-ter of Consob Regulation n. 11971 of May 14, 1999, as amended

We, the undersigned, Carlo Rosa, in my capacity as Chief Executive Officer, and Piergiorgio Pedron, in my capacity as Corporate Accounting Document Officer of 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 during the first half of 2022 to prepare the condensed semiannual consolidated financial statement were:

- a) adequate in light of the Company's characteristics; and
- b) were applied effectively.

Moreover, we attest that the condensed half-year consolidated financial statements:

- a) were prepared in accordance with the applicable international accounting principles, as adopted by the European Union pursuant to Regulation (CE) No. 1606/2002 of the European Parliament and Council dated July 19, 2002;
- b) correspond to the Company's books of accounts and bookkeeping entries;
- c) are suitable for the purpose of providing a truthful and fair representation of the statement of financial position, operating performance and cash flow of the issuer and of the companies included in the scope of consolidation.

To the best of our knowledge, the interim Report on Operations provides a reliable analysis of significant events that occurred during the first half of the year and of their impact on the condensed half-year financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year.

The interim Report on Operations also provides a reliable analysis of information concerning transactions with related parties.

Saluggia, August 3, 2022

Signed:

Carlo Rosa
Chief Executive Officer

Piergiorgio Pedron
Corporate Accounting Document Officer



REVIEW REPORT ON CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of DiaSorin SpA

Foreword

We have reviewed the accompanying condensed half-year consolidated financial statements of DiaSorin SpA and its subsidiaries (the "DiaSorin Group") as of 30 June 2022, comprising the consolidated statement of financial position, consolidated income statement, consolidated comprehensive income statement, statement of changes in consolidated shareholders' equity, consolidated statement of cash flow and related notes. The directors of DiaSorin SpA are responsible for the preparation of the condensed half-year consolidated financial statements in accordance with the International Accounting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these condensed half-year consolidated financial statements based on our review.

Scope of Review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of condensed half-year consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed half-year consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed half-year consolidated financial statements of DiaSorin Group as of 30 June 2022 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, 4 August 2022

PricewaterhouseCoopers SpA

Signed by

Stefano Pavesi
(Partner)

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PricewaterhouseCoopers SpA

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