

Interim management report

as at 31 March 2023



**Servizi
Italia**

SERVIZI ITALIA S.P.A.
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1 COMPANY OFFICERS AND CORPORATE INFORMATION

Board of Directors (in office until approval of the Separate Financial Statements as at 31 December 2023)

Name and Surname	Position
Roberto Olivi (*)	Chairman
Ilaria Eugeniani(*)	Deputy Chairwoman
Michele Magagna(*)	Director
Umberto Zuliani	Director
Anna Maria Fellegara ⁽¹⁾	Independent Director
Benedetta Pinna ⁽¹⁾	Independent Director
Antonio Aristide Mastrangelo ⁽¹⁾⁽²⁾	Independent Director

(1) Member of the Governance and Related Parties Committee; (2) Lead Independent Director

(*) Members of the Executive Committee

Board of Statutory Auditors (in office until approval of the Separate Financial Statements as at 31 December 2025)

Name and Surname	Position
Antonino Girelli	Chairman
Gianfranco Milanese	Standing auditor
Elena Iotti	Standing auditor
Lorenzo Keller	Alternate Auditor
Valeria Gasparini	Alternate Auditor

Supervisory Body (in office until 2 February 2025)

Name and Surname	Position
Veronica Camellini	Chairman
Antonio Ciriello	Member
Francesco Magrini	Member

Independent Auditors (in office until approval of the Separate Financial Statements as at 31 December 2023)

Deloitte & Touche S.p.A. – Via Tortona, 25 – 20144 Milan

Registered offices and company information

Servizi Italia S.p.A. Via S. Pietro, 59/b – 43019 Castellina di Soragna (Parma) – Italy

Tel.+390524598511, Fax+390524598232, website: www.servizitaliagroup.com;

Share Capital: Euro 31,809,451 fully paid-up

Tax code and Parma Register of Companies no. 08531760158; Certified email: si-servizitalia@postacert.cedacri.it

Founded: 1986

Listing segment: Euronext STAR Milan

Ordinary Share ISIN codes: IT0003814537, BLOOMBERG: SRI IM, REUTERS: SRI.MI

LEI Code: 815600C8F6D5ACBA9F86

Investor Relations

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2 GROUP STRUCTURE

Servizi Italia S.p.A., with registered office in Castellina di Soragna (Parma, Italy), listed in the Euronext STAR Milan segment of the EXM, is the leading Italian operator in the supply of integrated services for the rental, washing and sterilisation of textiles and surgical instruments for hospital facilities. With a technologically advanced production platform broken down into laundering facilities, textile sterilisation centres, surgical instrument sterilisation centres and numerous wardrobes, the Company and its Italian and overseas subsidiaries forming the Servizi Italia Group, mainly provide their broad and diversified range of services for public and private healthcare facilities in central and northern Italy, in the state of São Paulo in Brazil, in Turkey, India, Albania and Morocco.

As at 31 March 2023, the Servizi Italia Group included the following companies:

Company name Parent Company and Subsidiaries	Registered office	Share capital	Interest of equity investments
Servizi Italia S.p.A.	Castellina di Soragna (Parma) – Italy	EUR 31,809,451	Parent Company
SRI Empreendimentos e Participações Ltda	City of São Paulo, State of São Paulo – Brazil	BRL 217,757,982	100%
Steritek S.p.A.	Malagnino (Cremona) – Italy	EUR 134,500	95%
San Martino 2000 S.c.r.l.	Genoa – Italy	EUR 10,000	60%
Lavsim Higienização Têxtil S.A.	São Roque, State of São Paulo – Brazil	BRL 32,330,000	100% ^(*)
Maxlav Lavanderia Especializada S.A.	Jaguariúna, State of São Paulo – Brazil	BRL 2,825,060	100% ^(*)
Vida Lavanderias Especializada S.A.	São Roque, State of São Paulo – Brazil	BRL 3,600,000	100% ^(*)
Aqualav Serviços De Higienização Ltda	Vila Idalina, Poá, State of São Paulo – Brazil	BRL 15,400,000	100% ^(*)
Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi	Ankara – Turkey	TRY 85,000,000	55%
Ergülteks Temizlik Tekstil Ltd. Sti.	Smyrna – Turkey	TRY 1,700,000	57.5% ^(**)
Ankateks Tur. Teks. Tem.Sanve TIC. A.s. – Olimpos Laundry Teks.Tem. Hizm. Ve Tur. San. Tic. LTD.Sti IS Ortakligi	Antalya – Turkey	TRY 10,000	51% ^(**)
Wash Service S.r.l.	Castellina di Soragna (Parma) – Italy	EUR 10,000	90%
Ekolav S.r.l.	Lastra a Signa (Florence) – Italy	EUR 100,000	100%

^(*) held through SRI Empreendimentos e Participações Ltda ^(**) held through Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi

Below are the associates and jointly-controlled companies, measured using the equity method in the consolidated financial statements:

Company name Associates and Jointly-Controlled Companies	Registered office	Share capital	Interest of equity investment
Arezzo Servizi S.c.r.l.	Arezzo – Italy	EUR 10,000	50%
PSIS S.r.l.	Padua – Italy	EUR 10,000,000	50%
Steril Piemonte S.c.r.l.	Turin – Italy	EUR 4,000,000	50%
AMG S.r.l.	Busca (Cuneo) – Italy	EUR 100,000	50%
Iniziativa Produttive Piemontesi S.r.l.	Turin – Italy	EUR 2,500,000	37.63%
Piemonte Servizi Sanitari S.c.r.l.	Turin – Italy	EUR 10,000	30% ^(*)
SAS Sterilizasyon Servisleri A.Ş.	Istanbul – Turkey	TRY 36,553,000	51%
Shubhram Hospital Solutions Private Ltd.	New Delhi – India	INR 362,219,020	51%
Finanza & Progetti S.p.A.	Vicenza – Italy	EUR 550,000	50%
Brixia S.r.l.	Milan – Italy	EUR 10,000	23%
Saniservice Sh.p.k.	Tirana – Albania	LEK 2,745,600	30%
Sanitary cleaning Sh.p.k.	Tirana – Albania	LEK 2,798,800	40%
Servizi Sanitari Integrati Marocco S.a.r.l.	Casablanca Morocco	MAD 122,000	51%

^(*) The 15.05% indirect shareholding held through Iniziativa Produttive Piemontesi S.r.l. should be added to this.

3 DIRECTORS' REPORT

This Interim Report as at 31 March 2023 has 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 must be read together with the information provided in the consolidated financial statements as at 31 December 2022. In order to allow for a better evaluation of the economic and financial performance, the following summary tables show some “Alternative performance indicators”, not provided by the IFRS International Accounting Standards. The footnotes of said tables indicate the calculation method used and the composition of these ratios, in line with the guidelines of the European Securities and Markets Authority (ESMA).

Main consolidated income statement figures

The table below presents a comparison of the main consolidated income statement figures as at 31 March 2023 with the results as at 31 March 2022 (in thousands of Euros):

<i>(thousands of Euros)</i>	31 March 2023	31 March 2022	Change	Change %
Revenues	72,555	65,380	7,175	11.0%
EBITDA (a)	18,014	13,290	4,724	
EBITDA %	24.8%	20.3%		4.5%
Operating profit (EBIT)	3,604	(537)	4,141	
Operating profit (EBIT)%	5.0%	-0.8%		5.8%
Net profit	2,311	(273)	2,584	
Net profit %	3.2%	-0.4%		3.6%

(a) Group management has defined EBITDA as the difference between the value of sales and services and operating costs before depreciation, amortisation, write-downs, impairment and provisions.

The income figures for the period felt the effects of the extraordinary components and, therefore, the main adjusted indicators are reported below:

<i>(thousands of Euros)</i>	31 March 2023	31 March 2022	(1)	31 March 2022 adjusted	Adjusted change	Change % adj.
Revenues	72,555	65,380	1,103	66,483	6,072	9.1%
EBITDA (a)	18,014	13,290		14,393	3,621	
EBITDA %	24.8%	20.3%		21.6%		3.2%
Operating profit (EBIT)	3,604	(537)		566	3,038	
Operating profit (EBIT)%	5.0%	-0.8%		0.9%		4.1%
Net profit	2,311	(273)	796	523	1,788	
Net profit %	3.2%	-0.4%		0.8%		2.4%

(a) Group management has defined EBITDA as the difference between the value of sales and services and operating costs before depreciation, amortisation, write-downs, impairment and provisions.

(1) The adjusted figures as at 31 March 2022 do not take into account the lower revenues of Euro 1,103 thousand deriving from ISTAT starting from the services provided for the Ferrara Hospital through the project company Prog.este S.p.A. from 2014 to 2021.

Main consolidated statement of financial position figures

The table below presents a comparison of the main consolidated statement of financial position figures as at 31 March 2023 with the figures as at 31 December 2022 (in thousands of Euros):

(thousands of Euros)	31 March 2023	31 December 2022	Change	Change %
Net operating working capital ^(a)	2,232	(9,005)	11,237	-124.8%
Other current assets/liabilities ^(b)	(2,077)	(7,263)	5,186	-71.4%
Net working capital	155	(16,268)	16,423	-101.0%
Non-current assets – medium/long-term provisions	272,706	268,740	3,966	1.5%
of which Rights of use under IFRS 16	30,017	28,210	1,807	6.4%
Net invested capital	272,861	252,472	20,389	8.1%
Shareholders' equity (B)	136,885	133,473	3,412	2.6%
Net financial debt ^(d) (A)	135,976	118,999	16,977	14.3%
of which Financial liabilities under IFRS 16	32,543	30,582	1,961	6.4%
Net invested capital^(c)	272,861	252,472	20,389	8.1%
Gearing [A/(A+B)]	49.8%	47.1%		
Debt/Equity (A/B)	99.3%	89.2%		

- (a) Net operating working capital is not an accounting measurement under the IFRSs endorsed by the European Union. The Company management has defined net operating working capital as the algebraic sum of inventories, trade receivables and trade payables.
- (b) Other current assets/liabilities are calculated as the difference between other current assets, current tax receivables, current tax payables and other current liabilities.
- (c) The Company management has defined invested capital as the sum of Shareholders' equity and net financial debt.
- (d) The management has defined net financial debt as the sum of amounts Due to banks and other lenders net of Cash and cash equivalents and Current financial receivables.

Company information and business performance

As at 31 March 2023, consolidated revenues of the Servizi Italia Group amounted to Euro 72,555 thousand, an increase of 11.0% (+11.8% at constant exchange rates) compared to as at 31 March 2022.

Please note the following as regards revenue from sales and services by sector for 31 March 2023 compared to 31 March 2022:

- Revenues from wash-hire services (which in absolute terms represent 74.9% of the Group's revenues) rose from Euro 50,578 thousand in the first three months of 2022 to Euro 54,357 thousand in the same period of 2023, recording an increase of 7.5% (or 8.6% at constant exchange rates), supported both by robust growth in wash-hire in Italy (+4.9%) and by a rapid recovery deriving from the price adjustment in the Turkey area (+70.4%, or +126.8% at constant exchange rates). The Italy area benefits from the excellent performance in terms of revenues of the hotel and private nursing homes segment as well as the growth related to the inflation adjustments accrued and subscribed in the course of 2022 and in the first quarter of 2023. Revenues in the Brazil area also showed a positive change in the period of 8.7%, i.e. organic growth of 3.3% and an increase of 5.5% driven by the appreciation of the Brazilian Real against the Euro.
- Revenues from linen sterilisation services (Steril B) (which in absolute terms represent 6.8% of the Group's revenues) go from Euro 4,406 thousand in the first three months of 2022 to Euro

4,951 thousand, with an increase of 12.4% due in part to greater disposable supplies in central Italy and in part to the increase in volumes of reusable technical fabric (TTR) processed in the north-east of Italy.

- Revenues from surgical instrument sterilisation services (Steril C) (which in absolute terms represent 18.3% of the Group's revenues) rose from Euro 10,396 thousand in 2022 to Euro 13,247 thousand in 2023, with an increase of 27.4% equal to Euro 2,851 thousand mainly due to higher operating activities recorded in the period in the Italy area and to the inflation adjustments accrued and subscribed in the course of 2022 and in the first quarter of 2023.

Consolidated **EBITDA** went from Euro 13,290 thousand in the first three months of 2022 to Euro 18,015 in the same period of 2023, with an EBITDA margin growing by 450 bps, from 20.3% to 24.8% of revenues or an increase in absolute value of 35.5%. It should be noted that the first quarter of 2022 was negatively affected by a one-off effect of lower revenues in the amount of Euro 1,103 thousand for the 2014-2021 ISTAT to Prog.Este. S.p.A.; the increase in absolute value of EBITDA net of this effect would have been 25.2% or an increase in the EBITDA margin of 320 bps. The first three months of 2023 were characterised by the excellent performance of all operating segments in terms of both revenues and margins. The benefits are mainly related to the concurrent effect of inflationary adjustments recorded on contracts prices and to the benefit of a tax credit in the Italy area of Euro 1,537 thousand, which only partially offsets the increase in the cost of gas (Euro +1,607 thousand, or +1.8% relative incidence) and electricity (Euro +517 thousand, or +0.5% relative incidence) compared to the first quarter of 2022. Also worthy of note is a decrease in the incidence of costs for raw materials of 1.3% mainly due to the lower trading in disposable material with an increase, however, of 2.4% in absolute terms mainly linked to the increase in the prices of chemical products and packaging as well as the increase in the price of wood used as fuel for machinery in the Brazil area. Personnel costs decreased in terms of incidence on turnover (-2.2%) compared to the previous period, albeit growing in absolute value (+3.9%) following the increase in volumes processed. During the period, operating margins decreased in the Brazil area (EBITDA margin going from 29.2% to 25.2%), partly due to the continued context of rising material and energy costs and the start-up phase of the sterilisation plant in São Paulo, while there was a significant recovery in margins in the Turkey area (EBITDA margin going from 0.9% to 25.7%) mainly due to the inflationary adjustment of contract prices.

The consolidated operating result (**EBIT**) went from Euro -536 thousand during the first three months of 2022 (-0.8% compared to the turnover for the period) to Euro 3,605 thousand during the same period in 2023 (5.0% compared to the turnover for the period), mainly due to the dynamics already described in the comment on the change in turnover and EBITDA albeit with a lower incidence of amortisation and depreciation (-1.3%).

Financial management showed an increase of Euro 959 thousand compared to the same period of the previous year, mainly due to the strong increase in interest rates applied by the interbank system and exchange losses of Euro 153 thousand mainly referring to the depreciation of the Turkish Lira and the Rupee against the Euro.

Income taxes for the period amounted to Euro 55 thousand, with an incidence on the pre-tax result of 2.4%, and mainly concern the recognition in the income statement of deferred tax assets on the tax loss for the period generated in the Brazil area.

Therefore, the consolidated intermediate financial statements as at 31 March 2023 closed with a net profit of Euro 2,311 thousand compared to the net loss of Euro 273 thousand for the same period of the year.

Significant events and transactions

On 28 March 2023, the first sterilisation plant of the Servizi Italia Group was inaugurated in the State of São Paulo, Brazil. The transaction involved an investment of approximately R\$ 22.4 million, equal to approximately Euro 4.0 million (exchange rate on 28 March 2023 of Euro 5.6080) for the construction of a sterilisation plant capable of processing instruments for around 28,000 surgeries/year and over 50,000 interventions for the operating theatre textile sterilisation line, with the expectation of increased production capacity as a result of investments up to around 70,000 surgeries/year and up to 100,000 interventions for the sterile textile line. For more information, please refer to the press release on the Company's website.

The main characteristics of the awarded contracts, which have an annual contract value of more than Euro 50 thousand, are provided below:

Customer	Service provided	Duration years	Contract value per year (thousands of Euros)
Nord Milano ASST*	Integrated linen wash-hire service	18 months	842
Fondazione Istituto G. Giglio di Cefalù*	Sterile and disposable sets wash-hire service	1	231
APSP Città di Riva*	Integrated linen wash-hire service	81 months	69
SCR Piemonte (Lot 3 ASL TO 3 - ASL TO4)*	Integrated linen wash-hire service	7	1,972
SCR Piemonte (Lot 4 AO Alessandria - ASL CN1 - ASL CN2)*	Integrated linen wash-hire service	7	1,325
APSP "Casa rip. S.Vigilio" Fond. Bonazza*	Integrated linen wash-hire service	80 months	76
APSP Clementino Vannetti *	Integrated linen wash-hire service	80 months	81

* renewed

** new customer

The contracts that ended during the reference period are outlined below:

Customer	Service provided	Contract value per year (thousands of Euros)
San Pellegrino Hospital in Castiglione delle Stiviere, Cooperativa Il Sorriso, Cooperativa in Cammino	Integrated linen wash-hire service	252

Significant events after the end of the first quarter

On 20 April 2023, the ordinary session of the Shareholders' Meeting:

- approved the financial statements of the Parent Company closed on 31 December 2022;

- resolved the authorisation to purchase and dispose of treasury shares, as proposed by the Board of Directors. The resolution authorised the purchase of a maximum of 6,361,890 ordinary shares with nominal value of Euro 1.00 each, corresponding to one-fifth of the Company's share capital (taking into account the shares already held by the Company) for a period 18 months from that date, while the duration of the authorisation for disposal of the treasury shares has no time limits;
- approved the remuneration policy of Servizi Italia S.p.A.;
- appointed the members of the Board of Statutory Auditors, who will remain in office until the Shareholders' Meeting called to approve the financial statements as at 31 December 2025, also determining their remuneration.

Business outlook

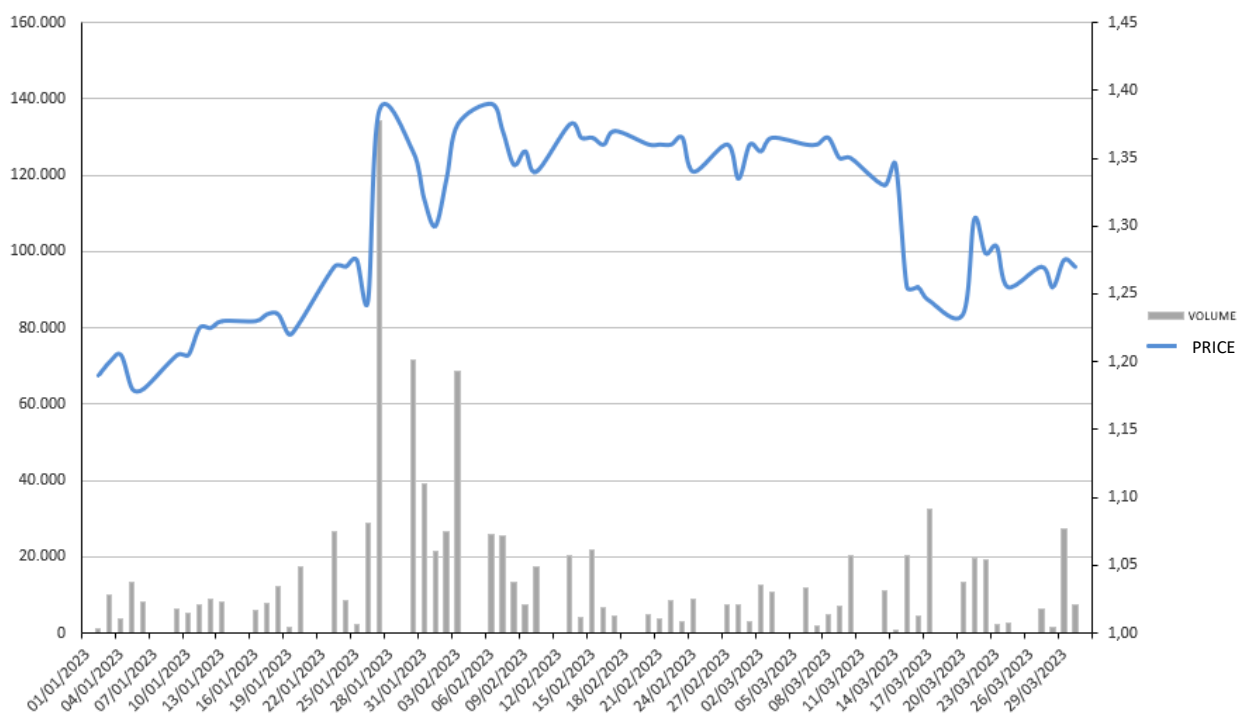
The results obtained in the first quarter of 2023 were higher than expected in both the Italy and Turkey areas. The factors contributing to the excellent performance relate to the reduction in energy commodity prices, primarily gas and electricity, which negatively impacted performance in financial year 2022, and a steady growth in turnover related to contractual inflationary adjustments, which are expected to continue in the coming months. The geopolitical context remains difficult to interpret; however, the Group's business to date has only been indirectly impacted by the related dynamics. In the coming months, management will focus on monitoring the development of the cost of money and the dynamics related to the interest rates applied by the interbank system. The Group's ability to direct its efforts to more profitable domestic and foreign investments, rationalising the increasingly marginal commitments, will also be fundamental in the near future. In the medium-term strategy, despite the uncertainty of a situation deriving from an increase in energy and raw material costs that is expected to persist in the 2023 financial year, the Group anticipates an organic consolidation of its leadership position in the Italian and foreign markets and a continuous search for optimisation and efficiency. The Group will continue to operate to reach its objectives and comply with commitments undertaken and aims to maintain a solid capital situation through an adequate financial balance and good creditworthiness with banking institutions.

Servizi Italia and the financial markets

Since 22 June 2009, the Company's stock has been traded on the Euronext STAR Milan segment of Euronext Milan (EXM). The main share and stock exchange data as at 31 March 2023 are disclosed below along with share volume and price trends:

Share and stock exchange data	31 March 2023
No. of shares making up the share capital	31,809,451
Price at IPO: 4 April 2007	€ 8.50
Price as at 31 March 2023	€ 1.27
Maximum price during the period	€ 1.39
Minimum price during the period	€ 1.18
Average price during the period	€ 1.30
Volumes traded during the period	974,389
Average volumes during the period	15,225

Share volumes and Prices as at 31 March 2023



During the first quarter of 2023, the investor relations team participated in the STAR Conference in Milan (22 March 2023) and carried out several individual and group calls with analysts and investors. In addition to the research study by Specialist Intermonte SIM, the Group also appointed Midcap Partners (Appointed rep by Louis Capital Markets UK, LLP).

Other information

Pursuant to Art. 3 of Consob Resolution No. 18079 dated 20 January 2012, Servizi Italia S.p.A. decided to join the out-put regime set forth in Art. 70, par. 8 and Art. 71, par. 1-bis, of Consob Regulation No. 11971/99 (as amended), availing itself of the right to derogate from the obligation to publish the disclosures as set forth in Annex 3B of the aforementioned Consob Regulation at the time of significant mergers, spin-offs, share capital increases through contributions in kind, acquisitions and transfers.

With reference to the changes made to the regulatory framework in 2016, Servizi Italia S.p.A. publishes the additional periodical information, meeting the obligations specified for the issuers listed in the STAR segment in Art. 2.2.3, par. 3, of the Regulations for the Markets organised and managed by Borsa Italiana S.p.A. and in the notice No. 7578 issued by Borsa Italiana on 21 April 2016.

The Chairman of the Board of Directors

(Roberto Olivi)

4 ACCOUNTING SCHEDULES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(thousands of Euros)</i>	31 March 2023	31 December 2022
ASSETS		
Non-current assets		
Property, plant and equipment	167,510	164,779
Intangible assets	3,596	3,783
Goodwill	62,409	62,394
Equity-accounted investments	33,926	33,067
Equity investments in other companies	3,113	3,113
Financial receivables	5,876	5,503
Deferred tax assets	11,845	11,309
Other assets	2,719	2,954
Total non-current assets	290,994	286,902
Current assets		
Inventories	8,527	8,553
Trade receivables	79,337	67,519
Current tax receivables	2,003	2,086
Financial receivables	7,138	7,080
Other assets	16,595	12,732
Cash and cash equivalents	4,567	18,165
Total current assets	118,167	116,135
TOTAL ASSETS	409,161	403,037
SHAREHOLDERS' EQUITY AND LIABILITIES		
Group shareholders' equity		
Share capital	29,432	29,432
Other reserves and retained earnings	101,900	97,205
Profit (loss) for the period	2,052	3,833
Total shareholders' equity attributable to shareholders of the parent company	133,384	130,470
Total shareholders' equity attributable to non-controlling interests	3,501	3,003
TOTAL SHAREHOLDERS' EQUITY	136,885	133,473
LIABILITIES		
Non-current liabilities		
Due to banks and other lenders	67,404	62,484
Deferred tax liabilities	3,045	2,870
Employee benefits	7,993	8,055
Provisions for risks and charges	6,395	6,386
Other financial liabilities	855	851
Total non-current liabilities	85,692	80,646
Current liabilities		
Due to banks and other lenders	80,277	81,760
Trade payables	85,632	85,077
Current tax payables	91	26
Employee benefits	-	-
Other financial liabilities	14	13
Provisions for risks and charges	2,030	2,097
Other payables	18,540	19,945
Total current liabilities	186,584	188,918
TOTAL LIABILITIES	272,276	269,564
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	409,161	403,037

CONSOLIDATED INCOME STATEMENT

(thousands of Euros)	31 March 2023	31 March 2022
Sales revenues	72,555	65,380
Other income	2,853	1,292
Raw materials and consumables	(7,038)	(7,214)
Costs for services	(26,670)	(23,435)
Personnel expense	(23,241)	(22,376)
Other costs	(445)	(357)
Depreciation/amortisation, impairment and provisions	(14,410)	(13,827)
Operating profit	3,604	(537)
Financial income	317	337
Financial expenses	(2,050)	(1,091)
Income/(expense) from equity investments	-	-
Revaluation/impairment of equity-accounted investments	385	696
Profit before tax	2,256	(595)
Current and deferred taxes	55	322
Profit (loss) for the period	2,311	(273)
of which: portion attributable to shareholders of the parent	2,052	(89)
Attributable to non-controlling interests	259	(184)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(thousands of Euros)	31 March 2023	31 March 2022
Profit (loss) for the period	2,311	(273)
<i>Other comprehensive income that will not be reclassified to the Income Statement</i>		
Actuarial gains (losses) on defined benefit plans	-	-
Income taxes on other comprehensive income	-	-
<i>Other comprehensive income that may be reclassified to the Income Statement</i>		
Gains (losses) from translation of foreign financial statements	429	5,692
Portion of comprehensive income of the investments measured using the equity method	(119)	871
Income taxes on other comprehensive income	-	-
Total other comprehensive income after taxes	310	6,563
Total comprehensive income for the period	2,621	6,290
of which: portion attributable to shareholders of the parent	2,479	6,501
Attributable to non-controlling interests	142	(211)

CONSOLIDATED NET FINANCIAL POSITION

(thousands of Euros)	31 March 2023	31 December 2022	31 March 2022
Cash and cash equivalents in hand	25	24	27
Cash at bank	4,542	18,141	3,891
Cash and cash equivalents	4,567	18,165	3,918
Current financial receivables	7,138	7,080	5,664
Current due to banks and other lenders	(80,277)	(81,760)	(86,168)
of which Financial liabilities under IFRS 16	(3,677)	(3,360)	(3,382)
Current net financial debt	(73,139)	(74,680)	(80,504)
Non-current due to banks and other lenders	(67,404)	(62,484)	(54,382)
of which Financial liabilities under IFRS 16	(28,866)	(27,222)	(27,881)
Non-current net financial debt	(67,404)	(62,484)	(54,382)
Net financial debt	(135,976)	(118,999)	(130,968)

5 NOTES

5.1 Introduction

The Interim Report as at 31 March 2023 has been prepared in compliance with Art. 154-ter of the Consolidated Law on Finance.

The accounting standards and criteria adopted for the preparation of this Interim Report on Operations as at 31 March 2023, not subject to audit, are the same as those used for the preparation of the annual financial statements as at 31 December 2022, to which reference should be made for their description, with the exception of the IFRS standards, amendments and interpretations applied for the first time on 1 January 2023. The consolidated subsidiaries are San Martino 2000 S.c.r.l., Steritek S.p.A., Wash Service S.r.l., Ekolav S.r.l., SRI Empreendimentos e Participações Ltda (parent company of the companies: Lavsim Higienização Têxtil S.A., Maxlav Lavanderia Especializada S.A., Vida Lavanderias Especializada S.A., Aqualav Serviços De Higienização Ltda) and Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Anonim Şirketi (parent company of the companies: Ergülteks Temizlik Tekstil Ltd. Sti. and Ankateks Tur. Teks. Tem.Sanve TIC. A.s. – Olimpos Laundry Teks.Tem. Hizm. Ve Tur. San. Tic. LTD.Sti IS Ortakligi).

The estimation criteria used to prepare the Interim Report are basically the same as those applied in the Annual Financial Statements.

This Interim Report is approved by the Board of Directors on 12 May 2023.

5.2 Performance by business segment and geographical area

The revenue from sales and services of the Servizi Italia Group shown below divided by business line for the periods ending 31 March 2023 and 31 March 2022 show the following data and changes:

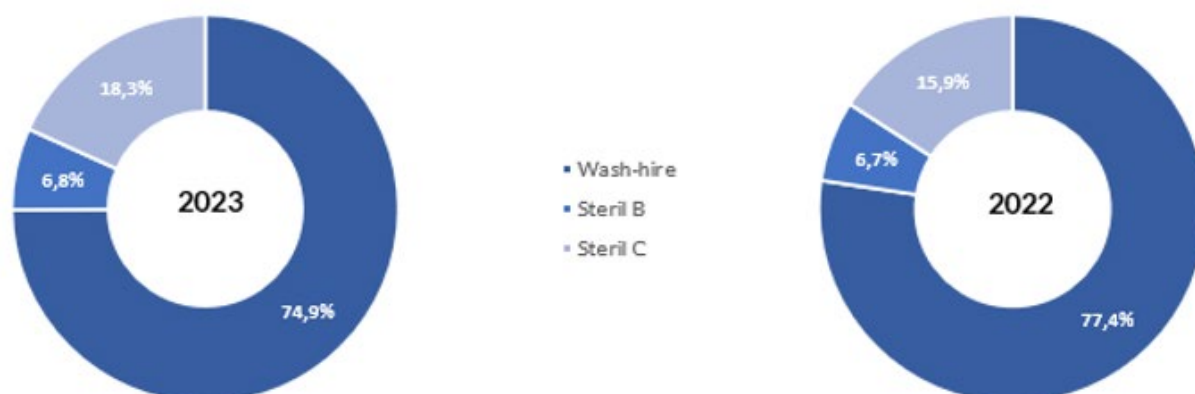
(thousands of Euros)	31 March 2023	%	31 March 2022	%	% change	% organic change	% exchange rate change
Wash-hire	54,357	74.9%	50,578	77.4%	7.5%	8.6%	-1.1%
Linen sterilisation (Steril B)	4,951	6.8%	4,406	6.7%	12.4%	12.4%	0.0%
Surgical instrument sterilisation (Steril C)	13,247	18.3%	10,396	15.9%	27.4%	27.4%	0.0%
Sales revenues	72,555	100.0%	65,380	100.0%	11.0%	11.8%	-0.8%

- Revenues from wash-hire services (which in absolute terms represent 74.9% of the Group's revenues) rose from Euro 50,578 thousand in the first three months of 2022 to Euro 54,357 thousand in the same period of 2023, recording an increase of 7.5% (or 8.6% at constant exchange rates), supported both by robust growth in wash-hire in Italy (+4.9%) and by a rapid recovery deriving from the price adjustment in the Turkey area (+70.4%, or +126.8% at constant exchange rates). The Italy area benefits from the excellent performance in terms of revenues of the hotel and private nursing homes segment as well as the growth related to the inflation adjustments accrued and subscribed in the course of 2022 and in the first quarter of 2023. Revenues in the Brazil area also showed a positive change in the period of 8.7%, i.e. organic

growth of 3.3% and an increase of 5.5% driven by the appreciation of the Brazilian Real against the Euro.

- Revenues from linen sterilisation services (Steril B) (which in absolute terms represent 6.8% of the Group's revenues) go from Euro 4,406 thousand in the first three months of 2022 to Euro 4,951 thousand, with an increase of 12.4% due in part to greater disposable supplies in central Italy and in part to the increase in volumes of reusable technical fabric (TTR) processed in the north-east of Italy.
- Revenues from surgical instrument sterilisation services (Steril C) (which in absolute terms represent 18.3% of the Group's revenues) rose from Euro 10,396 thousand in 2022 to Euro 13,247 thousand in 2023, with an increase of 27.4% equal to Euro 2,851 thousand mainly due to higher operating activities recorded in the period in the Italy area and to the inflation adjustments accrued and subscribed in the course of 2022 and in the first quarter of 2023.

The graph below shows the details of revenue by business line.



The revenue from sales and services of the Servizi Italia Group shown below divided by geographical area for the periods ending 31 March 2023 and 31 March 2022 show the following data and changes:

(thousands of Euros)	31 March 2023	%	31 March 2022	%	% change	% organic change	% exchange rate change
Italy	62,542	86.2%	57,091	87.3%	9.5%	9.5%	0.0%
Brazil	7,245	10.0%	6,664	10.2%	8.7%	3.3%	5.5%
Turkey	2,768	3.8%	1,625	2.5%	70.4%	126.8%	-56.4%
Sales revenues	72,555	100.0%	65,380	100.0%	11.0%	11.8%	-0.8%



5.3 Notes on the main changes in the statement of financial position

Property, plant and equipment

Changes in property, plant and equipment and the associated accumulated depreciation are shown in the table below.

<i>(thousands of Euros)</i>	Land and buildings	Plant and machinery	Returnable assets	Equipment	Other assets	Assets under construction	Total
Historical cost	42,501	157,759	36,013	69,645	174,735	8,306	488,959
Accumulated amortisation	(13,606)	(115,225)	(28,534)	(58,885)	(107,930)	-	(324,180)
Balance as at 1 January 2023	28,895	42,534	7,479	10,760	66,805	8,306	164,779
Translation differences	(10)	(54)	27	20	190	94	267
High inflation effect in Turkey	127	665	-	-	133	-	925
Increases	2,619	358	94	1,008	9,341	2,361	15,781
Decreases	-	(3)	-	(18)	(354)	(42)	(417)
Amortisation	(871)	(2,032)	(304)	(1,001)	(9,617)	-	(13,825)
Impairments (reinstatements)	-	-	-	-	-	-	-
Reclassifications	33	187	(32)	2	40	(230)	-
Balance as at 31 March 2023	30,793	41,655	7,264	10,771	66,538	10,489	167,510
Historical cost	45,169	159,130	35,911	70,483	182,848	10,489	504,030
Accumulated amortisation	(14,376)	(117,475)	(28,647)	(59,712)	(116,310)	-	(336,520)
Balance as at 31 March 2023	30,793	41,655	7,264	10,771	66,538	10,489	167,510

The item Translation difference refers to the changes in exchange rates for the Brazilian companies (SIR Empreendimentos e Participações L.t.d.a., Lavsım Higienizaç o T xtil S.A., Maxlav Lavanderia Especializada S.A., Vida Lavanderias Especializada S.A., Aqualav Serviç os De Higienizaç o Ltda) and the Turkish companies (Ankateks Turizm İnřaat Tekstil Temizleme Sanayi ve Ticaret Ltd řirketi, Erg lteks Temizlik Tekstil Ltd. Sti. and Ankateks Tur. Teks. Tem.Sanve TIC. A.s. – Olimpos Laundry Teks.Tem. Hizm. Ve Tur. San. Tic. LTD.Sti IS Ortakligi).

The item High inflation effect in Turkey refers to the application of IAS 29 to the historical cost of property, plant and equipment of the company Ankateks Turizm İnřaat Tekstil Temizleme Sanayi ve Ticaret Ltd řirketi e Erg lteks Temizlik Tekstil Ltd. Sti.

The increases at 31 March 2023 mainly refer to investments in linen, included in the item Other assets, equal to Euro 8,595 thousand of which 6,809 thousand relating to the Italy area and Euro 1,786 thousand relating to the Brazil area. These investments aim at an increasingly efficient management of the warehouse supplied, both in the case of a partial renewal of contracts and on occasion of the first supply for contracts acquired during the period in question.

The item Land and Buildings recorded an increase of Euro 2,619 thousand mainly attributable to the change in the value of the right of use asset for the inflationary adjustment of lease contracts following the application of the IFRS 16 accounting standard.

The item Plant and Equipment recorded an increase of Euro 358 thousand, mainly relating to the plants in the Italy area.

The item Industrial and commercial equipment shows increases of Euro 1,008 thousand, of which Euro 448 thousand relating to the purchase of surgical instruments for the first supply for contracts acquired and Euro 560 thousand for the purchase of industrial equipment.

The increases in Fixed assets in progress relate to works on third-party assets still under construction as at 31 March 2023. The item Work in progress consists mainly of Euro 1,860 in the Italy area, relating to the wash-hire division, and Euro 480 thousand in the Brazil area, relating mainly to the commissioning of a sterilisation centre in the São Paulo area.

The reclassifications show decreases of Euro 230 thousand mainly relating to the entry into operation of new plants and machinery by the Parent Company.

Intangible assets

This item changed as follows:

<i>(thousands of Euros)</i>	Trademarks, Software, Patents and Intellectual Property Rights	Customer contracts portfolio	Other intangible assets	Fixed assets in progress and payments on account	Total
Historical cost	8,358	8,367	500	285	17,510
Accumulated amortisation	(7,127)	(6,200)	(400)	-	(13,727)
Balance as at 1 January 2023	1,231	2,167	100	285	3,783
Translation differences	2	-	2	-	4
High inflation effect in Turkey	(1)	-	-	-	(1)
Increases	76	-	-	33	109
Decreases	-	-	-	-	-
Amortisation	(163)	(110)	(26)	-	(299)
Impairments (reinstatements)	-	-	-	-	-
Reclassifications	48	-	-	-48	-
Balance as at 31 March 2023	1,193	2,057	76	270	3,596
Historical cost	8436	8,367	511	270	17584
Accumulated amortisation	(7,243)	(6,310)	(435)	-	(13,988)
Balance as at 31 March 2023	1,193	2,057	76	270	3,596

The increases in the item Trademarks, Software and Patent rights and use of intellectual property are mainly attributable to the purchase by the Parent Company of software licences. In addition, please note the increase in Fixed assets in progress and advances mainly relating to the purchase of new software licences by the Parent Company.

The item Effect of inflation in Turkey refers to the application of IAS 29 to the historical cost of intangible assets of the company Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi.

Goodwill

Goodwill is allocated to the Servizi Italia Group's cash generating units identified on the basis of geographical area, which reflects the areas of operation of the companies acquired over the years.

In particular, goodwill is allocated by geographical area as follows:

(thousands of Euros)	as at 31 December 2022	Increases/ (Decreases)	Translation differences	as at 31 March 2023
CGU Italy	51,668	-	-	51,668
CGU Turkey	3,431	-	(148)	3,283
CGU Brazil	7,295	-	163	7,458
Total	62,394	-	15	62,409

The change in the period is exclusively attributable to exchange differences from the translation into Euros of goodwill arising from acquisitions in Brazil and Turkey.

With the exception of the portion of goodwill relating to CGU Steritek (surgical instrument sterilisation operating segment), all other goodwill is included in the wash-hire operating segment, as defined for the purposes of the sector reporting required by IFRS 8.

At the date of approval of this Interim Report, no facts or events have taken place that may indicate an impairment loss in the goodwill recognised and tested for impairment at the end of 2022.

Equity-accounted investments

This item changed as follows:

(thousands of Euros)	as at 31 March 2023	as at 31 December 2022
Opening balance	29,674	24,988
Increases/(decreases)	306	(91)
OCI changes	(119)	2,531
Revaluations/(write-downs)	385	2,181
Translation differences	37	65
Closing balance	30,283	29,674
of which recognised among provisions for risk and charges	(3,643)	(3,393)
of which recognised among equity-accounted investments	33,926	33,067

The revaluations and write-downs include the portions of profits and losses recorded by the investees in the period.

The item OCI changes, equal to negative Euro 119 thousand, corresponds the portion attributable to the Servizi Italia Group, within the scope of application of the equity method, of the change in fair value of hedging derivatives subscribed by the company Ospedal Grando S.p.A. (subsidiary of associate company Finanza e Progetti S.p.A.).

The increase recorded in the period, equal to Euro 306 thousand, is entirely attributable to the share capital increase in favour of the Turkish company SAS Sterilizasyon Servisleri A.Ş.

With reference to the equity investment in Shubhram Hospital Solutions Private Limited, in consideration of the commitments assumed with the local Indian partner, the portion of the losses exceeding the value of the equity investment was booked to the item Provisions for risks and charges.

Other non-current assets

The item is broken down as follows:

<i>(thousands of Euros)</i>	as at 31 March 2023	as at 31 December 2022
Substitute tax Italian Decree Law 185/2008 subsequent years	507	1,219
Aqualav receivable in escrow account	1,454	1,422
Other non-current assets	758	313
Total	2,719	2,954

The change in the item is mainly due to the release to the income statement of the substitute taxes based on art. 15, paragraphs 10-12 of the Law Decree 185/08, paid in order to obtain the tax recognition of the goodwill values that emerged during the business combination. These substitute taxes were recognised as an advance on current taxes and entered into the Income Statement within the time frame when the company benefits from the tax deductions related to the respective goodwill amounts. The change in “Aqualav receivable in escrow account” is attributable to the appreciation of the exchange rate of the Real against the Euro.

Trade receivables

Trade receivables amounted to Euro 79,337 thousand as at 31 March 2023, up by Euro 11,818 thousand compared to 31 December 2022.

In the first quarter of 2023, the Servizi Italia Group carried out a number of transactions concerning the disposal of receivables for a total amount of Euro 24,272 thousand or a consideration of Euro 24,072 thousand.

Other current assets

The item is broken down as follows:

<i>(thousands of Euros)</i>	as at 31 March 2023	as at 31 December 2022
Receivables from others	13,225	10,954
Deferred income	3,170	1,569
Guarantee deposits receivable	200	203
Accrued income	-	6
Total	16,595	12,732

The item Receivables from others is mainly composed of the VAT receivable requested for reimbursement for a total of Euro 7,068 thousand (Euro 4,729 as at 31 December 2022) and, for the remainder, mainly of advances and receivables from social security institutions, all due within the year. Prepayments increased primarily as a result of rentals and insurance premiums that were recognised at the beginning of the year. The item Guarantee deposits refers to energy utilities and rental contracts.

Shareholders' equity

As at 31 March 2023, the fully subscribed and paid-up share capital of Servizi Italia S.p.A. was broken down into 31,809,451 ordinary shares with a nominal amount of Euro 1 each. During the first quarter of 2023, the Parent Company did not carry out any transactions for the purchase and sale of treasury shares; therefore, as at 31 March 2023, the Company held 2,377,351 treasury shares, equal to 7.47% of the share capital. The value of the treasury shares held at 31 March 2023 of Euro 6,007 thousand was classified as a reduction in shareholders' equity.

There was also a positive effect of Euro 429 thousand on the translation reserves in the equity of companies that prepare their financial statements in foreign currencies, mainly as a result of the appreciation of the Brazilian Real, as well as the effect of high inflation in Turkey following the adoption of IAS 29 in the amount of Euro 791 thousand.

Due to banks and other lenders

The item is broken down as follows:

(thousands of Euros)	as at 31 March 2023			as at 31 December 2022		
	Current	Non-current	Total	Current	Non-current	Total
Due to banks	76,216	38,538	114,754	78,354	35,262	113,616
Due to other lenders	4,061	28,866	32,927	3,406	27,222	30,628
Total	80,277	67,404	147,681	81,760	62,484	144,244

The portion of payables due within 12 months relating to the item Payables to banks and other lenders shows an increase of Euro 1,483 thousand, going from Euro 81,760 thousand as at 31 December 2022 to Euro 80,277 thousand as at 31 March 2023. This decrease was primarily caused by lower recourse to self-liquidating credit lines. Current payables to banks and other lenders due within 12 months show an increase from Euro 62,484 thousand as at 31 December 2022 to Euro 67,404 thousand as at 31 March 2023. This change, amounting to Euro 4,920 thousand, is mainly related to the reclassification of the loan instalments, the taking out by the Parent Company of a new loan in the period, as well as the increase in the debt for IFRS16 for Euro 1,961 thousand primarily as a result of the remeasurement of the right of use in line with the inflationary adjustment recorded.

Provisions for risks and charges

The item is broken down as follows:

<i>(thousands of Euros)</i>	as at 31 March 2023	as at 31 December 2022
Opening balance	8,483	6,360
Provisions	389	3,554
Payments/resolutions	(435)	(1,439)
Translation differences	(11)	8
Closing balance	8,426	8,483

The item includes the provision for coverage of losses on equity investments for Euro 3,643 thousand, which refers primarily to the investment in Shubhram Hospital Solutions Private Limited, and corresponds to the portion of the losses exceeding the value of the equity investment that will be covered in consideration of the commitments assumed with the local partner for the development of business in the Indian market. It should also be noted that the provisions recognised in the period amounted to Euro 389 thousand, of which Euro 300 thousand relate to the losses attributable to the Servizi Italia Group recorded by the equity investment Shubhram Hospital Solutions Private Limited. The reduction in the provision for risks during the period primarily stems from the utilisation of Euro 320 thousand resulting from the Parent Company's loss in the Court of Appeal, leading to the payment of compensation to the opposing party. However, it should be noted that the Parent Company decided to appeal against the Court of Appeal ruling.

Other non-current financial liabilities

The item is broken down as follows:

<i>(thousands of Euros)</i>	as at 31 March 2023	as at 31 December 2022
Payable for Wash Service S.r.l. put option	458	456
Payable for Steritek S.p.A. put option	397	395
Total	855	851

Trade payables

The item is broken down as follows:

<i>(thousands of Euros)</i>	as at 31 March 2023	as at 31 December 2022
Due to suppliers	78,321	77,936
Due to associates	2,111	1,974
Due to parent company	4,773	5,167
Due to companies under the control of the parent companies	427	-
Total	85,632	85,077

Other current payables

The table below provides a breakdown of other current payables:

(thousands of Euros)	as at 31 March 2023	as at 31 December 2022
Deferred income and accrued expenses	571	714
Payables due to social security and welfare institutions	4,282	4,630
Due to employees	10,929	10,916
Employee/professional IRPEF (personal income tax) payable	1,591	2,791
Other payables	1,167	894
Total	18,540	19,945

The change in the item is mainly related to the reduction of the IRPEF payable, as it represented the payable due as at 31 December 2022, including the amounts related to thirteenth-month pay and bonuses.

5.4 Note on the main changes in the income statement

Raw materials and consumables

As at 31 March 2023, the consumption of raw materials amounted to Euro 7,038 thousand, down by Euro 176 thousand compared to the previous period, mainly as a result of lower costs incurred for the purchase of disposable products and PPE. The period also saw higher costs incurred for consumables, fuel, spare parts and washing products, which were adversely affected by the ongoing price increase dynamics. Consumption also refers to the purchase of chemical products and packaging.

Costs for services

The item is broken down as follows:

(thousands of Euros)	from 1 January to 31 March	
	2023	2022
External laundering and other industrial services	8,231	8,156
Travel and transport	4,202	3,779
Utilities	7,390	5,191
Administrative costs	870	866
Consortium and sales costs	1,496	1,507
Personnel expense	830	667
Maintenance	2,358	2,224
Use of third-party assets	781	676
Other services	512	369
Total	26,670	23,435

The item Cost for services increased by 13.8% year-on-year, or Euro 3,235 thousand, from Euro 23,435 thousand in the first quarter of 2022 to Euro 26,670 thousand in the first quarter of 2023. The increase is also seen in terms of incidence on revenues, which rose from 35.8% in the first quarter of 2022 to 36.8% in the first quarter of 2023, mainly as a result of higher costs incurred for utilities,

which show an increase of Euro 2,199 thousand compared to the same period of the previous year, or a growth of 2.2% in terms of incidence on revenues.

Travel and transport costs show an increase of Euro 423 thousand compared to 31 March 2022, mainly generated by the persistence of higher rates charged by suppliers and higher volumes handled compared to the comparison period.

Personnel expense

The item is broken down as follows:

(thousands of Euros)	from 1 January to 31 March	
	2023	2022
Costs for directors' fees	309	311
Salaries and wages	15,716	15,204
Temporary work	1,094	699
Social security charges	5,118	4,993
Employee severance indemnity	936	1,110
Other costs	68	59
Total	23,241	22,376

The item Personnel expense went from Euro 22,376 thousand as at 31 March 2022 to Euro 23,241 thousand as at 31 March 2023, recording an increase of Euro 865 thousand. The increase is mainly attributable to the Parent Company, as a result of the increase in volumes handled, as well as to the Turkey and Brazil area, due to the inflation adjustments applied. It should also be noted that although increasing in absolute value, the item Personnel Cost shows a decrease in relative incidence of 2.2% compared to the first quarter of 2022.

	Units as of 31 March	
	2023	2022
Executives	18	17
Middle managers	39	38
White-collar staff	365	294
Blue-collar staff	3,087	3,360
Total	3,509	3,709

Depreciation, amortisation and impairment

The item is broken down as follows:

(thousands of Euros)	from 1 January to 31 March	
	2023	2022
Amortisation of intangible assets	299	293
Depreciation of property, plant and equipment	13,826	13,546
Impairment and provisions	285	(12)
Total	14,410	13,827

The item Depreciation, amortisation and impairment recorded an increase compared to the same period of the previous year of Euro 583 thousand, from Euro 13,827 thousand in the first quarter of

2022 to Euro 14,410 thousand in the same period of 2023, while the relative incidence decreased, from 21.1% in the first quarter of 2022 to 19.9% in the first quarter of 2023.

Financial income and expense

Financial income is broken down as follows:

<i>(thousands of Euros)</i>	from 1 January to 31 March	
	2023	2022
Bank interest income	3	11
Default interest	43	16
Interest income on loans to third-party companies	191	129
Other financial income	42	13
High inflation effect in Turkey	38	-
Exchange rate earnings	-	168
Total	317	337

Financial expenses are composed as follows:

<i>(thousands of Euros)</i>	from 1 January to 31 March	
	2023	2022
Interest expense and bank commission	(1,053)	(542)
Interest and expense to other lenders	(200)	(36)
Financial expense on employee benefits	(52)	(8)
Exchange rate losses	(153)	-
Other financial expenses	(592)	(505)
Total	(2,050)	(1,091)

Financial income decreased from Euro 337 thousand as at 31 March 2022 to Euro 317 thousand as at 31 March 2023, showing a negative change of Euro 20 thousand. In fact, during the period, there was an increase in interest income on loans to third-party companies for Euro 62 thousand and a negative effect of Euro 168 thousand deriving from the loss of exchange gains recognised in the same period of the previous year. The period also includes the effect on monetary items deriving from the application of IAS 29 – Financial Reporting in Hyperinflationary Economies by the Ankara Group in the amount of Euro 38 thousand.

Financial charges increased from Euro 1,091 thousand as at 31 March 2022 to Euro 2,050 thousand as at 31 March 2023, an increase of Euro 959 thousand mainly due to the increase in interest rates recorded with respect to outstanding loans from credit institutions and exchange rate losses generated during the period.

Current and deferred taxes

The item is broken down as follows:

<i>(thousands of Euros)</i>	from 1 January to 31 March	
	2023	2022
Current taxes	359	331
Deferred tax (assets)/liabilities	(414)	(653)
Total	(55)	(322)

Taxes for the period are positive in the amount of Euro 55 thousand (positive in the amount of Euro 322 thousand as at 31 March 2022) and are mainly determined by the recognition in the income statement of deferred tax assets on the tax loss for the period generated in the Italy area.

5.5 Consolidated net financial position

(thousands of Euros)	31 March 2023	31 December 2022	31 March 2022
Cash and cash equivalents in hand	25	24	27
Cash at bank	4,542	18,141	3,891
Cash and cash equivalents	4,567	18,165	3,918
Current financial receivables	7,138	7,080	5,664
Current due to banks and other lenders	(80,277)	(81,760)	(86,168)
<i>of which Financial liabilities under IFRS 16</i>	<i>(3,677)</i>	<i>(3,360)</i>	<i>(3,382)</i>
Current net financial debt	(73,139)	(74,680)	(80,504)
Non-current due to banks and other lenders	(67,404)	(62,484)	(54,382)
<i>of which Financial liabilities under IFRS 16</i>	<i>(28,866)</i>	<i>(27,222)</i>	<i>(27,881)</i>
Non-current net financial debt	(67,404)	(62,484)	(54,382)
Net financial debt	(135,976)	(118,999)	(130,968)

The change in net financial debt at 31 March 2023 compared to 31 December 2022 includes investments in materials for approximately Euro 12.7 million, primarily textile linen products to be fed into the production process and financial contributions in jointly controlled companies for a total of Euro 0.7 million. The consolidated net financial position therefore decreased from Euro 118,999 thousand at 31 December 2022 to Euro 135,976 thousand at 31 March 2023, a negative change of Euro 16,977 thousand. In addition to what has already been commented, the change is attributable to the significant growth in turnover recorded and to a concurrent increase in the average days of collection recorded in the period.

Also shown below is the total financial debt drawn up pursuant to the ESMA Recommendation of 4 March 2021 in which the value of “Other current financial liabilities” is recorded under the item “Current financial debt” and the value of “Other non-current financial liabilities”, as well as the summary of the Group's direct and indirect financial debt is recorded under item “Trade and other non-current payables”.

(thousands of Euros)	as at 31 March 2023	as at 31 December 2022	as at 31 March 2022
A. Cash and cash equivalents	4,567	18,165	3,918
B. Cash and cash equivalents	-	-	-
C. Other current financial assets	7,138	7,080	5,664
D. Cash and cash equivalents (A)+(B)+(C)	11,705	25,245	9,582
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(50,541)	(53,363)	(50,553)
F. Current portion of non-current borrowings	(29,750)	(28,410)	(37,475)
<i>of which Financial liabilities under IFRS 16</i>	<i>(3,677)</i>	<i>(3,360)</i>	<i>(3,382)</i>
G. Current financial debt (E) + (F)	(80,291)	(81,773)	(88,028)
H. Current net financial debt (G) - (D)	(68,586)	(56,528)	(78,446)
I. Non-current financial debt (excluding the current portion and debt instruments)	(67,404)	(62,484)	(54,382)
<i>of which Financial liabilities under IFRS 16</i>	<i>(28,866)</i>	<i>(27,222)</i>	<i>(27,881)</i>
J. Debt instruments	-	-	-
K. Trade and other non-current payables	(855)	(851)	(389)
L. Non-current financial debt (I) + (J) + (K)	(68,259)	(63,335)	(54,771)
M. Net financial debt (H) + (L)	(136,845)	(119,863)	(133,217)

The Chairman of the Board of Directors

(Roberto Olivi)

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The Financial Reporting Manager Angelo Minotta states pursuant to paragraph 2, Article 154 bis of the Consolidated Law on Finance that the accounting information presented in this document corresponds to the documented results, books and accounting entries.

The Financial Reporting Manager

(Angelo Minotta)