

# Half-year Financial Report

*as at 30 June 2023*



**Servizi  
Italia**

**SERVIZI ITALIA S.P.A.**

Via S. Pietro, 59/B

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## 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 Chairman
Michele Magagna (*)	Director
Umberto Zuliani	Director
Anna Maria Fellegara <sup>(1)</sup>	Independent Director
Benedetta Pinna <sup>(1)</sup>	Independent Director
Antonio Aristide Mastrangelo <sup>(1)(2)</sup>	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
Elena Martelli <sup>1</sup>	Member

<sup>1</sup>Substituted Francesco Magrini on 26 May 2023

### 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](http://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](mailto: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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## GROUP STRUCTURE

Servizi Italia S.p.A., registered office in Castellina di Soragna (Parma, Italy), listed in the Borsa Italiana Euronext STAR Milan segment, is the leading Italian operator in the supply of integrated services for the wash-hire and sterilisation of textile materials 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 30 June 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
Ekolav S.r.l.	Lastra a Signa (Florence) – Italy	EUR 100,000	100%
Wash Service S.r.l.	Castellina di Soragna (Parma) – Italy	EUR 10,000	90%
Steritek S.p.A.	Malagnino (Cremona) – Italy	EUR 134,500	95%
San Martino 2000 S.c.r.l.	Genoa – Italy	EUR 10,000	60%
SRI Empreendimentos e Participações L.t.d.a.	City of São Paulo, State of São Paulo - Brazil	BRL 217,757,982	100%
Lavsim Higienização Têxtil S.A.	São Roque, State of São Paulo – Brazil	BRL 32,330,000	100% <sup>(*)</sup>
Maxlav Lavanderia Especializada S.A.	Jaguariúna, State of São Paulo – Brazil	BRL 2,825,060	100% <sup>(*)</sup>
Vida Lavanderias Especializada S.A.	São Roque, State of São Paulo – Brazil	BRL 3,600,000	100% <sup>(*)</sup>
Aqualav Serviços De Higienização Ltda	Vila Idalina, Poá, State of São Paulo – Brazil	BRL 15,400,000	100% <sup>(*)</sup>
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% <sup>(**)</sup>
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% <sup>(**)</sup>

<sup>(\*)</sup> held through SRI Empreendimentos e Participações Ltda

<sup>(\*\*)</sup> 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
Shubhram Hospital Solutions Private Ltd.	New Delhi – India	INR 362,219,020	51%
Servizi Sanitari Integrati Marocco S.a.r.l.	Casablanca – Morocco	MAD 122,000	51%
SAS Sterilizasyon Servisleri A.Ş.	Istanbul – Turkey	TRY 36,553,000	51%
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.r.l.	Turin – Italy	EUR 4,000,000	50%
AMG S.r.l.	Busca (Cuneo) – Italy	EUR 100,000	50%
Finanza & Progetti S.p.A.	Vicenza – Italy	EUR 550,000	50%
Sanitary cleaning Sh.p.k.	Tirana – Albania	LEK 2,798,800	40%
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% <sup>(*)</sup>
Saniservice Sh.p.k.	Tirana – Albania	LEK 2,745,600	30%
Brixia S.r.l.	Milan – Italy	EUR 10,000	23%

<sup>(\*)</sup> The 15.05% indirect shareholding held through Iniziativa Produttive Piemontesi S.r.l. should be added to this.

## INTERIM REPORT

This consolidated half-yearly financial report as at 30 June 2023 was prepared in compliance with the International Financial Reporting Standards (hereinafter “IFRS” or “International Accounting Standards”) endorsed by the European Commission, in force as at 30 June 2023, and was drafted pursuant to art. 154-ter of Italian Legislative Decree no. 58 of 24 February 1998 and in compliance with CONSOB regulation no. 11971 of 14 May 1999 and subsequent amendments.

This half-year financial report includes the half-year condensed consolidated financial statements as at 30 June 2023 prepared in compliance with IAS 34 on interim financial reporting, as approved by Regulation (EC) No. 1606/2002. In order to also 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 Market Authority (ESMA).

### Main consolidated income statement figures

The table below presents a comparison of the main consolidated income statement figures as at 30 June 2023 with the results as at 30 June 2022 (in thousands of Euros).

(thousands of Euros)	30 June 2023	30 June 2022	Change	% change
Revenues	143,846	134,042	9,804	7.3%
EBITDA <sup>(a)</sup>	36,115	29,475	6,640	
EBITDA %	25.1%	22.0%		3.1%
Operating profit (EBIT)	7,363	1,193	6,170	
Operating profit (EBIT) %	5.1%	0.9%		4.2%
Profit (loss)	2,882	1,945	937	
Profit (loss) %	2.0%	1.5%		0.6%

<sup>(a)</sup> 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.

### Main consolidated statement of financial position figures

The table below presents a comparison of the main consolidated statement of financial position figures as at 30 June 2023 with the figures as at 31 December 2022 (in thousands of Euros):

(thousands of Euros)	30 June 2023	31 December 2022	Change	% change
Net operating working capital <sup>(a)</sup>	1,167	(9,005)	10,172	-113.0%
Other current assets/liabilities <sup>(b)</sup>	(9,753)	(7,263)	(2,490)	34.3%
<b>Net working capital</b>	<b>(8,586)</b>	<b>(16,268)</b>	<b>7,682</b>	<b>-47.2%</b>
Non-current assets – medium/long-term provisions	270,071	268,740	1,331	0.5%
of which Rights of use under IFRS 16	29,342	28,210	1,132	4.0%
<b>Net invested capital</b>	<b>261,485</b>	<b>252,472</b>	<b>9,013</b>	<b>3.6%</b>
Shareholders' equity (B)	136,433	133,473	2,960	2.2%
Net financial debt <sup>(d)</sup> (A)	125,052	118,999	6,053	5.1%
of which Financial liabilities under IFRS 16	31,745	30,582	1,163	3.8%
<b>Net invested capital<sup>(c)</sup></b>	<b>261,485</b>	<b>252,472</b>	<b>9,013</b>	<b>3.6%</b>
Gearing [A/(A+B)]	47.8%	47.1%		
Debt/Equity (A/B)	91.7%	89.2%		

- (a) Net operating working capital is not an accounting measurement under the IFRSs endorsed by the European Union. The Group 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 Group management has defined net invested capital as the sum of Shareholders' equity and net financial debt.
- (d) The Group 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.

## Main consolidated cash flow figures

The table below presents a comparison between the main consolidated cash flow figures as at 30 June 2023 and as at 30 June 2022 (in thousands of Euros).

(thousands of Euros)	30 June 2023	30 June 2022	Change
Cash flow generated (absorbed) by operations	21,457	29,943	(8,486)
Net cash flow generated (absorbed) by investment activities	(25,109)	(25,991)	882
Net cash flow generated (absorbed) by financing activities	(3,128)	(3,548)	420
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(6,780)</b>	<b>404</b>	<b>(7,184)</b>
Opening cash and cash equivalents	18,165	3,217	14,948
Effect of exchange rate fluctuations	(3)	(237)	234
Closing cash and cash equivalents	11,388	3,858	7,530

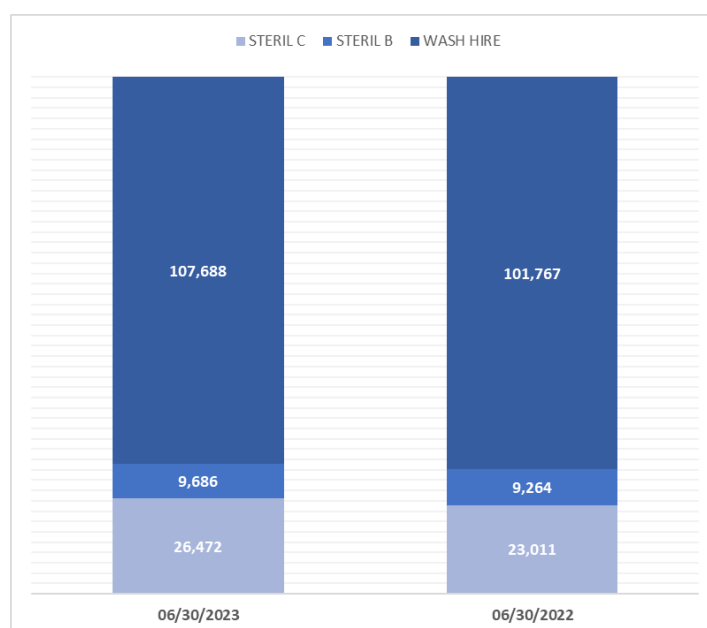
## Company information and business performance

In the first half of 2023, consolidated revenues of the Servizi Italia Group amounted to Euro 143,846 thousand, an increase of 7.3% (9.5% at constant exchange rates) compared to the first half of 2022.

Please note the following as regards revenue from sales and services by sector in the comparison between the first half of 2023 and the first half of 2022:

- Revenues from wash-hire services (which in absolute terms represent 74.9% of the Group's revenues) rose from Euro 101,767 thousand in the first six months of 2022 to Euro 107,688 thousand in the same period of 2023, recording an increase of 5.8% (or 8.6% at constant exchange rates), supported both by robust growth in wash-hire in Italy (+5.1%) and by a rapid recovery deriving from the price adjustment in the Turkey area (+21.1%, or +111.0% at constant exchange rates). The Italy area benefits from the excellent performance in terms of revenues for the growth related to the inflation adjustments accrued and subscribed in the course of 2022 and in the first half of 2023. Revenues in the Brazil area also showed a positive change in the period of 6.3%, i.e. organic growth of 4.9% and an increase of 1.4% driven by the appreciation of the Brazilian Real against the Euro.
- Revenues from linen sterilisation services (Steril B) (which in absolute terms represent 6.7% of the Group's revenues) go from Euro 9,264 thousand in the first six months of 2022 to Euro 9,686 thousand, with an increase of 4.6% 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 18.4% of the Group's revenues) rose from Euro 23,011 thousand in 2022 to Euro 26,472 thousand in 2023, with an increase of 15.0% equal to Euro 3,461 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 half of 2023.

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



The table below shows revenue from sales and services of the Servizi Italia Group by region, broken down by geographical area, for the periods ending on 30 June 2023 and 2022:

(thousands of Euros)	30 June 2023	%	30 June 2022	%	% change	% Organic change	% Exchange rate change
Revenues - Italy	124,363	86.5%	116,197	86.7%	7.0%	7.0%	0.0%
Revenues - Turkey	4,144	2.9%	3,421	2.6%	21.1%	111.0%	-89.9%
Revenues - Brazil	15,339	10.7%	14,424	10.8%	6.3%	4.9%	1.4%
<b>Sales revenues</b>	<b>143,846</b>	<b>100.0%</b>	<b>134,042</b>	<b>100.0%</b>	<b>7.3%</b>	<b>9.5%</b>	<b>-2.2%</b>

Consolidated **EBITDA** went from Euro 29,475 thousand in the first six months of 2022 to Euro 36,115 in the same period of 2023, with an EBITDA margin growing by 310 bps, from 22.0% to 25.1% of revenues or an increase in absolute value of 22.5%. The first six 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 on contractual prices and to the benefit of a tax credit in the Italy area of Euro 1,953 thousand, which offsets the increase in the cost of gas (Euro +965 thousand, or +0.4% relative incidence) and electricity (Euro +653 thousand, or +0.3% relative incidence) compared to the first half of 2022. Also to be noted is a decrease of 1.2% in the incidence of raw materials costs incidence, driven primarily by the lower marketing of single-use material and a decrease in costs incurred for packaging using plastic materials. Personnel costs decreased as a percentage of turnover (-1.2%) compared to the previous period, although they increased in absolute terms (+3.4%) as a result of the increase in volumes processed. During the period, operating margins grew strongly in the Turkey area (EBITDA margin going from 2.4% to 27.7%), mainly due to the inflation adjustment of contractual prices and a slow but progressive reduction in operating costs, primarily for energy, while there was a contraction in margins in the Brazil area (EBITDA margin falling from 27.9% to 23.3%) partly due to the continued upward trend in material and energy costs and the start-up phase of the sterilisation plant in San Paolo.

The consolidated operating result (EBIT) went from Euro 1,193 thousand during the first six months of 2022 (0.9% compared to the turnover for the period) to Euro 7,363 thousand during the same period in 2023 (5.1% 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 (-1.1%).

Financial management showed a marked increase of Euro 2,901 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 978 thousand mainly referring to the depreciation of the Turkish Lira and the Rupee against the Euro. Note also the write-down of the equity investment in Sanitary Cleaning Sh.p.k. for Euro 1,402 thousand related to the fair value adjustment of the shares held by the Parent Company.

Taxes for the period are negative for Euro 33 thousand, with an incidence on the pre-tax result of 1.1% and mainly concern current taxes for the period.

Therefore, the consolidated intermediate financial statements as at 30 June 2023 closed with a net profit of Euro 2,882 thousand compared to the net profit of Euro 1,945 thousand for the same period of the previous year.

### **Transactions with parent companies and associates**

Servizi Italia S.p.A.'s transactions with subsidiaries, associates, jointly-controlled companies and parent companies mainly relate to: (i) dealings associated with commercial service agreements; (ii) financial dealings, represented by loans. These transactions are described in detail in the explanatory notes to the Financial Statements, in section 8.

It should also be noted that, following the Regulation adopted by Consob with Resolution No. 17221 of 12 March 2010, as amended, on 24 November 2010 the Board of Directors approved, and subsequently updated, most recently on 25 June 2021, the Regulation for Related Party Transactions, published on the company's website.

### **Information on treasury shares and/or shareholdings in parent companies**

As at 30 June 2023, the company held 2,430,155 treasury shares, equal to 7.64% of share capital, as a result of the purchases and sales made on the market regulated and managed by Borsa Italiana.

On 7 August 2023, the Company announced that up until 5 August 2023 it had acquired 2,453,605 treasury shares on the market regulated and managed by Borsa Italiana, equal to 7.71% of the share capital.



## 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.

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.

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)
ASST Nord Milano*	Integrated linen wash-hire service	18 months	842
Fondazione Istituto G. Giglio di Cefalù*	Sterile and disposable sets wash-hire service	1	231
ASSB Bolzano*	Integrated linen wash-hire service	2 months	136
APSP Trento *	Integrated linen wash-hire service	5	5,212

\* renewed

\*\* new customer

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

Customer	Service provided	Contract value per year (Thousands of Euros)
Azienda Ospedaliero Universitaria delle Marche-Ancona	Integrated linen wash-hire service	738
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 half

On 5 July 2023, Servizi Italia S.p.A. signed a preliminary agreement with the shareholders holding the remaining shares of the company Sanitary Cleaning Sh.p.k. concerning the sale of 40% of the company shares held by the Parent Company. On 31 July 2023, all the suspensive clauses underlying the successful outcome of the transaction were verified and complied with. The sale will presumably take place by September. The price recognised for the sale of the shares is equal to Euro 100 thousand. The equity investment, conditional on the development of the industrial laundry market in the Albanian territory, is, considering future strategic scenarios, off-target as of today. Therefore, with a view to efficient resource management, the sale and disposal of the investment was assessed as the best option.

On 17 July 2023, Servizi Italia S.p.A. acquired, for a price of Euro 440 thousand, a 33.0% equity investment in the company Tecnoconsulting S.r.l., based in Scandicci (FI) and active in the integrated design of industrial, civil and hospital works. The company, which recorded revenues of Euro 539 thousand in financial year 2022, is able to offer a comprehensive assistance service in all phases of design, work management and safety coordination. The company's most specialised activity is hospital design with experience gained through more than 10 years of experience in the design of sterilisation centres, centralised industrial laundries, clean rooms, operating theatres and laboratories. For some time now, the Servizi Italia Group has maintained and still maintains a profitable supply relationship that recognises and certifies the quality of the service offered by the company. The transaction therefore has a strategic value that stems primarily from organisational consolidation, knowledge integration and future technical and design synergies.

On 25 July 2023, Servizi Italia S.p.A. was admitted to the “*Made Green in Italy*” scheme of the Ministry of the Environment and Energy Safety and obtained the release of the MGI logo for the linen washing and linens rental service. The scheme is managed by the Ministry of the Environment and Energy Safety (MASE) and is based on the European PEF (*Product Environmental Footprint*) methodology, which offers an assessment of the environmental footprint of products and services through the analysis of their life cycle (LCA). The objective is the enhancement on the market of Italian goods and services with high environmental performance (the quantification of which is scientifically reliable) and aims to achieve consumer recognition of its products through the use of its logo, so as to encourage more informed choices. By obtaining the “*Made Green in Italy*” logo, Servizi Italia continues on its concrete path of sustainability. The study and assessment of the environmental footprint of services is fundamental for the Group, which can thus focus its actions to mitigate and reduce its environmental impact in those production chain areas that are most sensitive.

## Business outlook

The results obtained by the Group in the first half of 2023 were higher than expected. 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. On the other hand, the increase in the cost of money and the dynamics connected to the interest rates applied by the interbank system have an ever-increasing impact, a structural problem that management carefully

monitors by adopting all options at its disposal to limit the inevitable impact on the fundamental levers of the Group business. 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. The Group's medium-term strategy, albeit amidst the uncertainty of a situation deriving from the instability of energy and raw material costs that is expected to continue in the 2023 financial year, envisages an organic consolidation of its leadership position in the Italian and foreign markets and a continuous search for optimisation and efficiencies. The Group will continue to operate in order 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.

## Derivatives

As at 30 June 2023, the Group does not have any derivative financial instrument management policies. Some companies not wholly-owned and therefore not consolidated on a line-by-line basis have taken out derivative financial instruments to hedge the risk of fluctuations in interest rates on loans taken out as part of project financing, given the significant amount of financial commitments undertaken and the over ten-year duration of the same. The economic and financial effects of such derivatives are incorporated into the valuations of equity investments in the companies that hold them.

## Risk management information

The Group has developed a model based on an integrated and adequate risk management and internal control system. All main risks arising from the "core business" were identified, measured and managed, using the process of analysis of the risks according to the principles of the new COSO-ERM framework (Committee of Sponsoring Organization of the Treadway Commission) - (Enterprise Risk Management):

- governance and risk culture;
- strategy and definition of risk targets;
- risk analysis;
- risk information, communication and reporting;
- monitoring of the performance of the risk model.

The model adopted by the Group is meant to ensure the Company's continuity and the adequacy of its processes, activities and services in terms of:

### 1. Business objectives:

- achievement of objectives set within company strategies;
- effective and efficient use of organisational resources.

### 2. Governance objectives:

- ensuring the reliability, accuracy, trustworthiness and timeliness of financial reporting;
- preservation of the company assets;
- compliance with laws, regulations, contracts, ethical and company rules;
- protection of ethical and social responsibilities;
- sustainable success.

The Board of Directors, through the Manager of the internal control and risk management system and the Head of Internal Audit, has implemented special processes to identify the responsibilities for the control of the risk, so as to ensure the soundness and the continuity of the business in the long term. To this end, an internal control system has been set up to monitor the risks associated with the activity. In particular, this control system has been reflected in the internal regulations of the Group and the different companies subject to coordination and control (for example, the 231/01 Model, Code of Ethics, Guidelines for the internal control and risk management system, Group Policies included in the Servizi Italia compliance program).

The internal risk control system of the Servizi Italia Group is divided into three levels:

1. **first level:** the operating units identify, assess, monitor, mitigate and report the risks deriving from the ordinary business activity, ensuring that operations are in line with the risk limits and assigned targets;
2. **second level:** the Director in charge of the internal control system is responsible for the control of all categories of risk and must provide a clear representation to the Governance and Related Parties Committee or to the Board of Directors of the risk profile of the Group as a whole and its soundness;
3. **third level:** Internal Auditing, which reports directly to the Board of Directors, also with the contribution of the appointed local representative/qualified external professionals for the adequate third level monitoring for the foreign subsidiaries, assesses the suitability of the overall internal control system to ensure the effectiveness and efficiency of processes, the safeguarding of company assets and investors, the reliability and integrity of accounting and management information, compliance with internal and external regulations and management instructions.

The risk control process is common to all control functions, in line with reference best practices; the different types of risks are defined in the Group Risk Policy, which is subject to periodic updating at least once a year. The Risk Map represents the Group's Risk Appetite Framework (hereinafter also referred to as "RAF" in short), i.e., the key instrument with which the Board of Directors defines the risk appetite, tolerance thresholds, sustainable risk limits, risk governance policies and the framework of related organisational processes. The RAF and, therefore, the internal regulations on risk management also consider aspects related to the management of the risks of a social, environmental and economic nature (ESG).

### Information on ongoing proceedings

The Parent Company has proceedings in progress before the Court of Modena for the administrative liability of legal entities - pursuant to Italian Legislative Decree no. 231/2001 - for an alleged violation of Art. 319 of the Italian Criminal Code, with reference to the awarding of a tender issued by AOU Policlinico di Modena for a nine-year "Global Service" contract, through resolution of 19 December 2008 to the RTI (temporary joint consortium) established by Coopservice Soc.Coop.p.A., in its capacity as lead contractor, and by other companies including Servizi Italia S.p.A., Padana Everest S.r.l. and Lavanderia Industriale ZBM S.p.A. (companies subsequently merged by incorporation into Servizi Italia S.p.A.) as principals. It should be noted that, at the hearing on 16 February 2021, the Court of

Modena ruled in favour of the Chairman, Mr. Roberto Olivi and Messrs. Enea Righi and Luciano Facchini, former directors with powers of representation of Servizi Italia, ruling that the case must not proceed by reason of statute of limitations with consequent extinguishment the alleged offence. Currently, therefore, as specified above, the procedure continues exclusively against the entities so as to initiate the investigation also in terms of the non-existence of the predicate offence already declared prescribed in relation to the predicate offences referred to in Italian Legislative Decree no. 231 of 2001. For the sake of completeness, it is noted that the contracting authority has never revoked the contract.

In January 2019, Servizi Italia was awarded, as principal, the RTI (temporary grouping of companies) formed by Coopservice Soc. Coop p.a., Servizi Italia S.p.A. and others, in relation to the contract for the assignment of the management of integrated support services to the person at the University Hospital of Bologna for a period of six years and for an annual value, limited to Servizi Italia's share, equal to approximately Euro 4 million. On 20 August 2020, the Council of State unexpectedly overturned the previous rulings of the Regional Administrative Court and of the Council of State which, by cancelling the request for suspension by the plaintiff, had allowed the Temporary Joint Venture of which Servizi Italia is a party to take over during the month of February 2020 in the provision of the service following the award. In view of this last ruling, acting in the name and on behalf of the above mentioned Temporary Joint Venture, pursuant to art. 395 of the Code of Civil Procedure and to art. 106 of the Code of Administrative Procedure, the parent company unsuccessfully proposed an appeal for revocation before the Council of State. To date, an appeal is pending before the Supreme Court of Cassation for lack of jurisdiction.

Since December 2022, Servizi Italia S.p.A. initiated a judicial protection action – still pending – before the Lazio Regional Administrative Court, challenging: *i*) the Ministerial Decree of 6 July 2022 adopted by the Minister of Health, in agreement with the Minister of Economy and Finance, which certified the exceeding of expenditure limits on medical devices at national and regional level for the years 2015, 2016, 2017 and 2018; *ii*) the Ministerial Decree of 6 October 2022, adopted by the Minister of Health, in agreement with the Minister of Economy and Finance, who adopted the guidelines in preparation for the issue of regional and provincial Payback measures, as well as *iii*) the consequential Payback measures which some Regions, to varying degrees, have imposed on Servizi Italia with respect to the remediation of expenditure limits. The main issue raised before the competent court pertains to the violation of the terms established in paragraph 8 of Art. 9-ter of Decree Law 78/2015, according to which the expenditure limits excess should have been ascertained and declared by 30 September of each year. Hence: *i*) the illegitimacy of the Decree of 6 July 2022, which established that expenditure ceilings had been exceeded, with macroscopic delays, compared to the said deadlines and *ii*) the concomitant unconstitutionality of the acts and rules that allowed the retroactive application of the Payback measure; this is art. 9-ter of Decree Law 78/2015 as amended by art. 1, paragraph 557 of Law no. 145 of 30 December 2018, in conjunction with art. 18 of Decree Law no. 115 of 9 August 2022 (Aiuti-bis Decree), converted with Italian Law no. 221 of 21 September 2022. On the margin of this issue, a more radical challenge was also anticipated on the intrinsic unlawfulness of the Payback measure itself, hypothesising a substantial expropriation or tax value for the measure. Given the complexity of the issues raised, it is not possible at the moment to make forecasts regarding the outcome of the judicial protection action. For the estimate concerning the Payback issue, please refer to the Provisions for risks and charges section.

The Group, having carried out the necessary verifications and assessed with the support of its legal consultants, on the one hand, the soundness of its defensive arguments and, on the other, the

uncertainty and unreliability of the current estimate of possible economic damage, has not yet decided to make provisions in the financial statements, without prejudice to what has been specified above with regard to medical devices payback.

## Risk Factors

In order to minimise different types of risks to which it is exposed, the Group has adopted time scales and control methods that allow Company management to monitor risks and to appropriately inform the Director in charge of the internal control system and (also through him) the Board of Directors.

Without prejudice to the principle of continuous monitoring and considering the characteristics of the Group's activities, a review of the risk assessment indicates that the Group has been able to achieve the desired mitigation of the primary operational, financial, strategic and compliance risks identified by taking the planned organisational and operating measures and implementing and documenting control points within company processes.

The Servizi Italia Group's activities are exposed to various risk types, including interest rate fluctuations and credit, liquidity and cash flow risks. To minimise such risks, the Group has adopted timescales and control methods which allow the company Management to monitor risks and inform the Board of Directors so that it may approve all transactions involving a commitment by the Group with respect to third-party lenders.

## Other information

Servizi Italia S.p.A., pursuant to article 3 of the Consob Resolution no. 18079 of 20 January 2012, decided to join the out-put regime set forth in articles 70, paragraph 8, and 71, paragraph 1-bis, of the Consob Regulations n. 11971/99 (as amended), availing itself of the right to derogate from the obligation to publish the information documents as set forth in annex 3B of the above mentioned Consob Regulations when carrying out significant merging, demerging, share capital increases through contributions in kind, acquisitions and transfer operations.

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 Euronext STAR Milan 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.

## Human resources and industrial relations

The Servizi Italia Group's total employees, including those of the consolidated companies, were as follows as at 30 June 2023:

Company	Executives	Middle managers	White-collar staff	Blue-collar staff	Total
Servizi Italia S.p.A.	11	28	183	1,667	1,889
San Martino 2000 S.c.r.l.	-	-	-	-	-
Steritek S.p.A.	-	-	29	-	29
Wash Service S.r.l.	-	-	7	40	47
Ekolav S.r.l.	-	-	8	57	65

SRI Empreendimentos e Participações Ltd	1	-	-	-	1
Lavsim Higienização Têxtil S.A	1	8	56	475	540
Maxlav Lavanderia Especializada S.A.	1	1	69	392	463
Vida Lavanderias Especializada S.A.	-	-	2	8	10
Aqualav Serviços De Higienização Ltda	-	1	12	229	242
Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi	2	-	4	174	180
Ergülteks Temizlik Tekstil Ltd. Sti.	1	-	2	97	100
Ankateks Tur. Teks. Tem.Sanve TIC. A.s. – Olimpos Laundry	-	-	-	12	12
Teks.Tem. Hizm. Ve Tur. San. Tic. LTD.Sti IS Ortakligi	-	-	-	12	12
<b>TOTAL</b>	<b>17</b>	<b>38</b>	<b>372</b>	<b>3,151</b>	<b>3,578</b>

In the last part of 2022 and in the first months of 2023, as part of the negotiating delegation, the Parent Company was directly involved in meetings with the trade unions for the renewal of the national collective labour agreement for the “Employees of companies in the integrated industrial system of textile and medical goods and services” sector, a negotiation that resulted in the signing of the contract renewal on 28 March 2023. In the first part of 2023, several meetings also took place between the Parent Company and the trade unions, during which the Parties discussed the renewal of the economic part of the Supplementary Company Agreement, which, last year, had been renewed for a three-year period (2022-2024) with regard to the regulatory part, while, with regard to the Performance Bonus, in light of the conflict in Ukraine and the relevant significant effects in terms of energy price increases, the Parties had agreed to renew it for one year only. After extensive discussion, in light of the continuing situation of economic and especially financial uncertainty, with a significant increase in interest rates and the effects of the “Medical Device Payback”, the Parties agreed to renew the Performance Bonus for one year, following the contents agreed last year, a renewal signed on 5 May 2023.

## Training and development

In the first half of 2023, the implementation of the activities envisaged by the Annual Training Programme for the current year began. In addition to guaranteeing the constant updating of all staff, the main training objectives focus on supporting the professional development of junior employees and strengthening the skills of those with roles of responsibility, aware that these processes represent strategic leverage for the growth of the company.

The main training areas were:

- Occupational health and safety, also in addition to the mandatory training envisaged by Italian Legislative Decree 81/08, in order to promote a safety culture;
- Technical/specialist training to update specific skills;
- Legal/admin training (HR area).

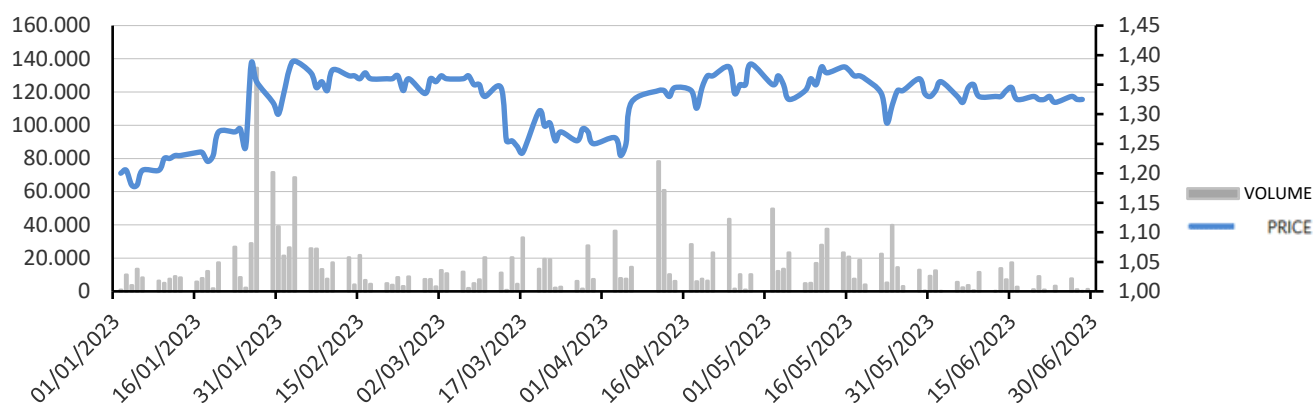
On sustainability issues, a course was held during this half-year open to various business areas and aimed at encouraging initial understanding of the circular economy topic (management of end-of-life products, reuse and recycling, energy saving, sustainable mobility and industrial symbiosis projects). In addition, with the support of specialised trainers, the company involved a diverse panel of employees to outline a process aimed at identifying the values representing the Group's identity. Lastly, specific team building and team coaching courses continued.

## Servizi Italia and the financial markets

Since 22 June 2009, the Servizi Italia (SRI.MI) share has been traded on the Euronext STAR Milan segment. The main share and stock exchange data as at 30 June 2023 are disclosed below along with share volumes and price trends:

Share and stock exchange data		30 June 2023
No. of shares making up the share capital		31,809,451
Price at IPO: 4 April 2007		€8.50
Price as at 30 June 2023		€1.33
Maximum price during the period		€1.39
Minimum price during the period		€1.18
Average price during the period		€1.32
Volumes traded during the period		1,807,217
Average volumes during the period		14,458

### Share volumes and prices as at 30 June 2023



During the reference period, the investor relations team participated in the **Euronext STAR Conference** in Milan (22 March 2023) and the **TP ICAP Midcap Annual Conference 2023** in Paris (11 May 2023). During the meetings, which were held in person, the Group's top management met with various analysts and investors; in addition to this, throughout the period, the Investor Relations Team remained available for individual and group calls with anyone interested in obtaining information and analysing activities and businesses.

In addition to the research study by specialist Intermonete SIM, the Group also appointed TP ICAP (Appointed rep by Louis Capital Markets UK, LLP).

The Chairman of the Board of Directors  
(Roberto Olivi)



## HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE SERVIZI ITALIA GROUP AS AT 30 JUNE 2023

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(thousands of Euros)</i>	Note	30 June 2023	of which with related parties (Note 8)	31 December 2022	of which with related parties (Note 8)
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	6.1	165,723	18,499	164,779	19,511
Intangible assets	6.2	3,422	-	3,783	-
Goodwill	6.3	61,879	-	62,394	-
Equity-accounted investments	6.4	33,255	-	33,067	-
Equity investments in other companies		2,938	-	3,113	-
Financial receivables		6,000	5,057	5,503	4,560
Deferred tax assets	6.5	12,131	-	11,309	-
Other assets		2,678	-	2,954	-
<b>Total non-current assets</b>		<b>288,026</b>		<b>286,902</b>	
<b>Current assets</b>					
Inventories		8,738	-	8,553	-
Trade receivables	6.6	77,338	10,792	67,519	7,969
Current tax receivables		1,956	-	2,086	-
Financial receivables		7,149	5,791	7,080	5,886
Other assets	6.7	11,548	-	12,732	-
Cash and cash equivalents		11,388	-	18,165	-
<b>Total current assets</b>		<b>118,117</b>		<b>116,135</b>	
<b>TOTAL ASSETS</b>		<b>406,143</b>		<b>403,037</b>	
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>					
<b>Group shareholders' equity</b>					
Share capital		29,379	-	29,432	-
Other reserves and retained earnings		101,570	-	97,205	-
Profit (loss) for the period		2,661	-	3,833	-
<b>Total shareholders' equity attributable to shareholders of the parent company</b>		<b>133,610</b>		<b>130,470</b>	
<b>Total shareholders' equity attributable to non-controlling interests</b>		<b>2,823</b>		<b>3,003</b>	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	6.8	<b>136,433</b>		<b>133,473</b>	
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Due to banks and other lenders	6.9	68,641	18,253	62,484	19,654
Deferred tax liabilities	6.10	2,743	-	2,870	-
Employee benefits	6.11	8,015	-	8,055	-
Provisions for risks and charges	6.12	6,737	-	6,386	-
Other financial liabilities	6.14	460	-	851	-
<b>Total non-current liabilities</b>		<b>86,596</b>		<b>80,646</b>	
<b>Current liabilities</b>					
Due to banks and other lenders	6.9	74,948	2,118	81,760	1,838
Trade payables	6.13	84,909	7,324	85,077	7,240
Current tax payables		263	-	26	-
Employee benefits		-	-	-	-
Other financial liabilities	6.14	413	-	13	-
Provisions for risks and charges	6.12	2,029	-	2,097	-
Other payables	6.15	20,552	-	19,945	-
<b>Total current liabilities</b>		<b>183,114</b>		<b>188,918</b>	
<b>TOTAL LIABILITIES</b>		<b>269,710</b>		<b>269,564</b>	
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>406,143</b>		<b>403,037</b>	

## CONSOLIDATED INCOME STATEMENT

<i>(thousands of Euros)</i>	Note	30 June 2023	of which with related parties (Note 8)	30 June 2022	of which with related parties (Note 8)
<b>Sales revenues</b>	<b>7.1</b>	<b>143,846</b>	8,153	<b>134,042</b>	7,307
Other income	7.2	4,760	384	2,868	357
Raw materials and consumables	7.3	(14,028)	(84)	(14,731)	(83)
Costs for services	7.4	(50,759)	(9,640)	(46,777)	(9,250)
Personnel expense	7.5	(46,806)	(18)	(45,257)	(443)
Other costs		(898)	(46)	(670)	(32)
Depreciation/amortisation, impairment and provisions	7.6	(28,752)	(1,113)	(28,282)	(1,013)
<b>Operating profit</b>		<b>7,363</b>		<b>1,193</b>	
Financial income	7.7	570	348	1,457	258
Financial expenses	7.7	(5,240)	(567)	(2,339)	(592)
Income/(expense) from equity investments		356	-	252	-
Share of profit/loss of equity-accounted investments	6.4	(134)	-	1,619	-
<b>Profit before tax</b>		<b>2,915</b>		<b>2,182</b>	
Current and deferred taxes	7.8	(33)		(237)	
<b>Profit (loss) for the period</b>		<b>2,882</b>		<b>1,945</b>	
of which: portion attributable to shareholders of the parent		2,661		2,207	
Attributable to non-controlling interests		221		(262)	
<b>Basic earnings/(losses) per share (in Euros)</b>	<b>7.9</b>	<b>0.09</b>		<b>0.07</b>	
<b>Diluted earnings/(losses) per share (in Euros)</b>	<b>7.9</b>	<b>0.09</b>		<b>0.07</b>	

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(thousands of Euros)</i>	30 June 2023	30 June 2022
<b>Profit (loss) for the period</b>	<b>2,882</b>	<b>1,945</b>
<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	(676)	4,184
Portion of comprehensive income of the investments measured using the equity method	84	1,695
Income taxes on other comprehensive income	-	-
<b>Total other comprehensive income after taxes</b>	<b>(760)</b>	<b>5,879</b>
<b>Total comprehensive income for the period</b>	<b>2,122</b>	<b>7,824</b>
of which: portion attributable to shareholders of the parent	2,705	8,253
Attributable to non-controlling interests	(583)	(429)

## CONSOLIDATED CASH FLOW STATEMENT

<i>(thousands of Euros)</i>	Note	as at 30 June 2023	of which with related parties (Note 8)	as at 30 June 2022	of which with related parties (Note 8)
<i>Cash flow generated (absorbed) by operations</i>					
Profit (loss) before tax		2,915	-	2,182	-
Payment of current taxes		(41)	-	(202)	-
Amortisation/depreciation	7.5	28,302	-	28,324	-
Impairment and provisions	7.5	450	-	(42)	-
Gains/losses on equity investments	6.4	(222)	-	(1,871)	-
Gains/losses on disposal		(238)	-	(692)	-
Interest income and expense accrued	7.6	4,669	-	882	-
Interest income collected		401	-	369	-
Interest expense paid		(4,249)	-	(1,382)	-
Interest paid on liabilities for leasing		(943)	(567)	(933)	(592)
Provisions for employee benefits	6.11	420	-	314	-
		<b>31,464</b>		<b>26,949</b>	
(Increase)/decrease in inventories		(51)		137	
(Increase)/decrease in trade receivables	6.6	(12,002)	(3,061)	(5,582)	(3,934)
Increase/(decrease) in trade payables	6.13	1,621	(45)	9,676	(180)
Increase/(decrease) in other assets and liabilities		841	-	(1,279)	-
Settlement of employee benefits	6.11	(416)	-	42	-
<b>Cash flow generated (absorbed) by operations</b>		<b>21,457</b>		<b>29,943</b>	
<i>Net cash flow generated (absorbed) from investment activities in:</i>					
Intangible assets	6.2	(238)	-	(179)	-
Property, plant and equipment	6.1	(24,602)	-	(26,154)	-
Dividends received		37	-	342	-
(Acquisitions)/Disposals		-	-	-	-
Equity investments	6.4	(306)	-	-	-
<b>Net cash flow generated (absorbed) by investment activities</b>		<b>(25,109)</b>		<b>(25,991)</b>	
<i>Cash flow generated (absorbed) from financing activities in:</i>					
Financial receivables		(365)	149	(2,255)	(2,004)
Dividends paid	6.8	(12)	-	-	-
Net (purchase)/sales of treasury shares	6.8	(71)	-	(468)	-
Share capital increase (payments by minority shareholders)		-	-	-	-
Current due to banks and other lenders	6.9	(4,607)	-	11,676	-
Non-current due to banks and other lenders	6.9	3,815	-	(10,734)	-
Reimbursement of liabilities for leasing		(1,888)	(974)	(1,767)	(840)
<b>Cash flow generated (absorbed) from financing activities</b>		<b>(3,128)</b>		<b>(3,548)</b>	
<b>(Increase)/decrease in cash and cash equivalents</b>		<b>(6,780)</b>		<b>404</b>	
<b>Opening cash and cash equivalents</b>		<b>18,165</b>		<b>3,217</b>	
<b>Effect of exchange rate fluctuations</b>		<b>(3)</b>		<b>(237)</b>	
<b>Closing cash and cash equivalents</b>		<b>11,388</b>		<b>3,858</b>	
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>(6,780)</b>		<b>404</b>	

## STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

<i>(thousands of Euros)</i>	Share capital	Share premium reserve	Legal reserve	Retained earnings	Translation reserve	Profit (loss) for the period	Reserves and profit (loss) of non-controlling interests	Total Shareholders' Equity
<b>Balance as at 1 January 2022</b>	<b>29,809</b>	<b>49,675</b>	<b>6,618</b>	<b>62,484</b>	<b>(36,402)</b>	<b>7,500</b>	<b>1,435</b>	<b>121,119</b>
Allocation of profit from the previous year	-	-	-	7,500	-	(7,500)	-	-
Distribution of dividends	-	-	-	-	-	-	-	-
Treasury share transactions	(260)	(209)	-	-	-	-	-	(469)
High inflation effect in Turkey	-	-	-	1,507	-	-	1,232	2,739
Profit (loss) for the period	-	-	-	-	-	2,207	(262)	1,945
Other components of comprehensive income	-	-	-	1,695	4,351	-	(167)	5,879
<b>Balance as at 30 June 2022</b>	<b>29,549</b>	<b>49,466</b>	<b>6,618</b>	<b>73,186</b>	<b>(32,051)</b>	<b>2,207</b>	<b>2,238</b>	<b>131,213</b>

<i>(thousands of Euros)</i>	Share capital	Share premium reserve	Legal reserve	Retained earnings	Translation reserve	Profit (loss) for the period	Reserves and profit (loss) of non-controlling interests	Total Shareholders' Equity
<b>Balance as at 1 January 2023</b>	<b>29,432</b>	<b>49,439</b>	<b>6,618</b>	<b>75,205</b>	<b>(34,057)</b>	<b>3,833</b>	<b>3,003</b>	<b>133,473</b>
Allocation of profit from the previous year	-	-	-	3,833	-	(3,833)	-	-
Distribution of dividends	-	-	-	-	-	-	(12)	(12)
Treasury share transactions	(53)	(18)	-	-	-	-	-	(71)
High inflation effect in Turkey	-	-	-	506	-	-	415	921
Profit (loss) for the period	-	-	-	-	-	2,661	221	2,882
Other components of comprehensive income	-	-	-	(84)	128	-	(804)	(760)
<b>Balance as at 30 June 2023</b>	<b>29,379</b>	<b>49,421</b>	<b>6,618</b>	<b>79,460</b>	<b>(33,929)</b>	<b>2,661</b>	<b>2,823</b>	<b>136,433</b>

## EXPLANATORY NOTES

### 1 Foreword

These half-year condensed consolidated financial statements as at 30 June 2023 of the Servizi Italia Group, subject to limited audit, have been prepared in compliance with Art. 154 ter of Italian Legislative Decree 58/1999 as amended as well as the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), on the basis of the text published in the Official Journal of the European Communities (OJEC). These half-year financial statements have been prepared in “condensed” form as established by IAS 34, and therefore do not include all the information normally included in the annual financial statements and must therefore be read together with the Group’s consolidated financial statements as at 31 December 2022.

The consolidated condensed half-yearly financial report includes the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the statement of changes in consolidated shareholders’ equity, the consolidated cash flow statement and the notes, in line with the requirements of IFRS.

The half-year condensed consolidated financial statements were drafted in compliance with the IFRS issued by the International Accounting Standards Board and approved by the European Union at the time of drafting of these financial statements. IFRS mean also all revised international accounting standards (IAS) and all interpretations of the International Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).

#### IFRS accounting standards, amendments and interpretations applied as from 1 January 2023

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group starting on 1 January 2023:

- On 7 May 2021, the IASB published an amendment called “**Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction**”. The document clarifies how deferred taxes on certain transactions which can generate assets and liabilities of the same amount, such as leasing and dismantling obligations, must be accounted for.
- On 12 February 2021, the IASB published two amendments called “**Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2**” and “**Definition of Accounting Estimates – Amendments to IAS 8**”. The amendments are aimed at improving disclosure on accounting policies in order to provide more useful information to investors and other primary users of the financial statements and to help companies distinguish changes in accounting estimates from changes in accounting policies.

The adoption of these amendments did not impact the consolidated financial statements of the Group.

## IFRS accounting standards, amendments and interpretations still not approved by the European Union.

At the reference date of this document report, the European Union had not yet concluded the approval process needed for the adoption of the amendments and standards described below.

- On 23 January 2020, the IASB published an amendment called “Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current” and on 31 October 2022 it published an amendment called “Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants”. The purpose of the documents is to clarify how to classify payables and other short or long-term liabilities. The amendments will come into effect on 1 January 2024; early adoption is in any case allowed. Directors do not expect any significant effect on the consolidated financial statements of the Group when this amendment is adopted.
- On 22 September 2022, the IASB published an amendment called “**Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback**”. The document requires the seller-lessee to assess the lease liability deriving from a sale & leaseback transaction so as not to recognise an income or a loss that refers to the withheld right of use. The amendments will apply from 1 January 2024, though early adoption is allowed. Directors do not expect any significant effect on the consolidated financial statements of the Group when this amendment is adopted.
- On 23 May 2023, the IASB published an amendment called “**Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules**”. The document introduced a temporary exception to the obligations of recognition and disclosure of deferred tax assets and liabilities relating to the Model Rules of Pillar Two and provides for specific disclosure obligations for the entities concerned by the related International Tax Reform.  
The document provides for the immediate application of the temporary exception, while the disclosure requirements will only apply to annual financial statements starting on 1 January 2023 (or later) but not to interim financial statements with a closing date prior to 31 December 2023. Directors do not expect any significant effect on the consolidated financial statements of the Group when this amendment is adopted.
- On 25 May 2023, the IASB published an amendment called “**Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements**”. The document requires an entity to provide additional information on reverse factoring agreements that allow users of financial statements to assess how financial agreements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of such agreements on the entity's exposure to liquidity risk. The amendments will apply from 1 January 2024, though early adoption is allowed. Directors do not expect any significant effect on the consolidated financial statements of the Group when this amendment is adopted.

### 1.1 Core Business

The Group primarily works in the domestic market as well as in the State of São Paulo (Brazil), Albania, India, Morocco, and Turkey, in supplying integrated rental, washing and sterilisation services for textiles and surgical instruments to social/welfare, hotel and public and private hospital facilities. In particular, the Group offers the following Services: (a) wash-hire, including (i) planning and provision

of integrated rental, reconditioning (disinfection, washing, finishing and packaging) and logistics (pick-up and distribution to usage centres) services for textile items, mattresses and accessories (pillowcases, curtains), (ii) rental and washing of high visibility “118” emergency service items and (iii) logistics and management of hospital wardrobes; (b) linen sterilisation services, including the planning and rental of sterile medical devices for operating theatres (linens for operating theatres and scrubs) packed in sets for the operating theatre, in cotton or in re-usable technical fabric, as well as personal protection equipment (gloves, masks); and (c) surgical instrument sterilisation services including (i) planning and provision of washing, packaging and sterilisation services for surgical instruments (owned or rented) and accessories for operating theatres and (ii) planning, installation and renovation of sterilisation centres.

## 2 The Company as part of a group

Servizi Italia S.p.A. is a subsidiary of the Coopservice S.c.p.a. group, with registered office in Reggio Emilia, which holds a controlling shareholding via the company Aurum S.p.A.; therefore, said entity indirectly controls the Servizi Italia Group.

Servizi Italia S.p.A. is not subject to management and coordination by either the direct parent company Aurum S.p.A. or the indirect parent company Coopservice S.c.p.a. In fact, Servizi Italia S.p.A. operates independently from a corporate and business point of view and in relation to its customers and suppliers and independently defines its business plans and/or budgets. Furthermore, Servizi Italia S.p.A., in compliance with the provisions of Italian Law No. 262 dated 28 December 2005, has adopted all the necessary measures which permit it not to be subject to management and co-ordination activities.

## 3 Consolidation principles and accounting standards

### 3.1 Consolidation principles

The half-year condensed consolidated financial statements as at 30 June 2023 include the financial statements of Servizi Italia S.p.A. and of the companies over which it exercises direct or indirect control, beginning on the date on which it is acquired and until the date on which it is no longer held.

Investments in associates and jointly controlled companies (joint ventures) are measured using the equity method, while jointly controlled assets (joint operations) are recorded by recognising the portion of the assets and liabilities, costs and revenues that pertain thereto, directly into the financial statements of the company that is party to the agreements.

The financial statements consolidated line-by-line drafted as at 30 June 2023 are those appropriately prepared and approved by the administrative bodies, and have been adjusted as required to bring them into line with the accounting standards of Servizi Italia S.p.A.

The consolidation criteria are the same as those applied in the Group’s consolidated financial statements as at 31 December 2022.

### 3.2 Scope of Consolidation

The scope of consolidation includes the following subsidiaries (consolidated line-by-line):

(thousands)	Registered Offices	Currency	Share capital as at 30 June 2023	Percent interest as at 30 June 2023	Percent interest as at 31 December 2022
San Martino 2000 S.c.r.l.	Genoa - Italy	EUR	10	60%	60%
Steritek S.p.A.	Malagnino (Cremona) - Italy	EUR	134	95%	95%
Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi	Ankara - Turkey	TRY	85,000	55%	55%
Ergülteks Temizlik Tekstil Ltd. Sti.**	Smyrna - Turkey	TRY	1,700	57.5%	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	51.0%	51.0%
SRI Empreendimentos e Participacoes LTDA	São Paulo - Brazil	BRL	217,758	100%	100%
Lavsim Higienização Têxtil S.A.*	São Roque, State of São Paulo - Brazil	BRL	32,330	100%	100%
Maxlav Lavanderia Especializada S.A.*	Jaguariúna, State of São Paulo - Brazil	BRL	2,825	100%	100%
Vida Lavanderias Especializada S.A.*	São Roque, State of São Paulo - Brazil	BRL	3,600	100%	100%
Aqualav Serviços De Higienização Ltda*	Vila Idalina, Poá, State of São Paulo - Brazil	BRL	15,400	100%	100%
Ekolav S.r.l.	Lastra a Signa (Florence) - Italy	EUR	100	100%	100%
Wash Service S.r.l.	Castellina di Soragna (PR) - Italy	EUR	10	90%	90%

\* Held through SRI Empreendimentos e Participações Ltda

\*\* Held through Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi

Investments in associates and jointly-controlled companies are measured using the equity method.

(thousands)	Registered Offices	Currency	Share capital as at 30 June 2023	Percentage of shareholding as at 30 June 2023	Percent equity investment as at 31 December 2022
Arezzo Servizi S.c.r.l.	Arezzo - Italy	EUR	10	50%	50%
PSIS S.r.l.	Padua - Italy	EUR	10,000	50%	50%
Steril Piemonte S.c.r.l.	Turin - Italy	EUR	4,000	50%	50%
AMG S.r.l.	Busca (Cuneo) - Italy	EUR	100	50%	50%
Iniziative Produttive Piemontesi S.r.l.	Turin - Italy	EUR	2,500	37.63%	37.63%
Piemonte Servizi Sanitari S.c.r.l.	Turin - Italy	EUR	10	30% <sup>(*)</sup>	30% <sup>(*)</sup>
SAS Sterilizasyon Servisleri A. Ş.	Istanbul - Turkey	TRY	36,553	51%	51%
Shubhram Hospital Solutions Private Ltd.	New Delhi - India	INR	362,219	51%	51%
Finanza & Progetti S.p.A.	Vicenza - Italy	EUR	550	50%	50%
Brixia S.r.l.	Milan - Italy	EUR	10	23%	23%
Saniservice Sh.p.k.	Tirana - Albania	LEK	2,746	30%	30%
Sanitary cleaning Sh.p.k.	Tirana - Albania	LEK	2,799	40%	40%
Servizi Sanitari Integrati Marocco S.a.r.l.	Casablanca - Morocco	MAD	122	51%	51%

<sup>(\*)</sup> The 15.05% indirect shareholding held through Iniziative Produttive Piemontesi S.r.l. should be added to this.

For the consolidation of the companies preparing financial statements in a currency other than the functional currency used in the consolidated financial statements of the Servizi Italia Group, the following Euro conversion rates were used (it should be noted that, by virtue of the application of the IAS 29 international standard with regard to hyperinflation, the exchange rate used for the conversion of the economic values of the Turkish companies is the final exchange rate as at 30 June 2023):

Currency	Average exchange rate as at 30 June 2023	Average exchange rate as at 30 June 2022	Final exchange rate as at 30 June 2023	Final exchange rate as at 31 Dec. 2022	Final exchange rate as at 30 June 2022
Brazilian Real (R\$)	5.4827	5.5565	5.2788	5.6386	5.4229
Turkish Lira (TL)	21.5662	16.2579	28.3193	19.9649	17.3220
Albanese Lek (Lek)	112.8250	121.1392	106.4900	114.4600	118.62



Indian Rupee (INR)	88.8443	83.3179	89.2065	88.1710	82.1130
Moroccan Dirham (MAD)	11.0208	10.604	10.7560	11.1580	10.542

### 3.3 Accounting standards and basis of preparation

The accounting standards and basis of preparation, reported in the introduction to the Notes to the financial statements, are the same as those used to prepare the consolidated financial statements as at 31 December 2022, which should be referred to for a description, with the exception of the IFRS standards, amendments and interpretations applied for the first time as at 1 January 2023 and described, together with the effects on the half-year condensed consolidated financial statements, in the introduction to these Notes.

The half-year condensed consolidated financial statements as at 30 June 2023 were drafted on the basis of the going concern assumption.

## 4 Risk management policy

Within the Servizi Italia Group, specific organisational directives centrally govern risk management and control over all transactions relevant to the composition of financial and/or trade assets and liabilities.

The Servizi Italia Group's activities are exposed to various risk types, including interest rate fluctuations and credit, liquidity, cash flow risks and currency-type risks.

To minimise such risks, the Servizi Italia Group has adopted timescales and control methods, which allow the company management to monitor this risk and inform the Board of Directors so that it may approve all transactions involving a commitment by the Company with respect to third parties.

The principal internal and external risks to which the Group is exposed are described in the directors' report accompanying the separate financial statements as at 31 December 2022. A description of market risks and the relative hedging policies is provided below.

### 4.1 Type of risks hedged

#### *Exchange rate risk*

The investments in Brazil, Turkey, India, Albania and Morocco have positioned the Group in an international context, exposing it to exchange rate risk generated by fluctuations in the Euro/Brazilian Real, Euro/Turkish Lira, Euro/Indian Rupee, Euro/Albanian Lek and Euro/Moroccan Dirham exchange rates.

The assessment of exchange rate risk weights the risk of currency fluctuations with the size and time distribution of the cash flows expressed in foreign currency and with the cost of any hedging transactions. The assessments, taking into account the fact that no capital repatriation is expected from abroad in the short term, have led to the decision not to hedge against currency risk.

### Credit risk

The credit risk is constantly monitored by means of periodic processing of past due situations which are subject to the analysis of the Group's financial structure. The Group is also equipped with recovery procedures for problem receivables and avails itself of the assistance of legal advisors in the event of disputes being established.

In light of the fact that customers are predominantly public companies, default risk is deemed low. However, these customers have extended payment times which depend on loans received by the local health units and hospitals from the Regions. Currently, the average days sales outstanding are 100.

Trade receivables shown in the financial statements are adjusted for expected losses according to a model that refers to an expected loss for the entire life of trade receivables in compliance with the simplified approach envisaged by IFRS 9. The expected loss rates applied are substantially in line with those indicated in the consolidated financial statements as at 31 December 2022.

### Liquidity risk

To correctly manage liquidity risk, an adequate level of cash and cash equivalents must be maintained. Considering the predominantly public nature of the group's customers and the average collection times, cash and cash equivalents are obtained primarily from accounts receivable financing and, to a lesser extent, from medium-term, unsecured credit lines. The Group also uses factoring without recourse.

### Interest rate risk

The Group's net financial debt primarily comprises short-term payables which, as at 30 June 2023, represent approximately 52% of its debt, at an average annual rate, in relation to the short-term payable to banks, of around 3.10%. With regard to the global financial crisis, the Group is monitoring the market and assessing the appropriateness of taking out hedging transactions on the rates in order to limit the negative impacts of changes in interest rates on the consolidated income statement. The table below demonstrates the effect that would be generated by a 0.5% increase or decrease in rates (in thousands of Euros).

(thousands of Euros)	0.5% rate increase		0.5% rate decrease	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Financial receivables	+26	+49	(26)	(49)
Financial payables	+305	+597	(305)	(597)
Factoring of receivables	+229	+487	(229)	(487)

## 4.2 Fair value information

Financial assets and financial liabilities are recognised at amortised cost. Shareholdings in other companies relate to investments of a strategic and production nature, all of which are in fact held in relation to the management of contracts or licences.

These equity investments usually cannot be freely transferred to third parties, since they are subject to rules and agreements that in practice prevent their free circulation. The equity investments in other companies are recognised at the fair value if there is an active market for the securities representative of these equity investments. The profits or the losses deriving from changes in the fair value are

recognised directly in the Income Statement. If an active market is not available, which is the case for all equity investments held by the Company as at 30 June 2023, equity investments in other companies are recognised at the cost of purchase or set-up, reduced for any impairment or capital refund, as best estimate of the fair value.

The Group does not hold financial instruments measured at fair value with an active market. Therefore, no classification based on input quality is provided.

## 5 Segment reporting

The Servizi Italia Group's segment reporting is organised as follows:

- *Wash hire: this includes (i) planning and provision of integrated hire, reconditioning (disinfection, washing, finishing and packaging) and logistics (pick-up and distribution to usage centres) services for textile items, mattresses and accessories, (ii) rental and washing of high visibility "118" emergency service items and (iii) logistics, transport and management of hospital linen storage facilities;*
- *Linen sterilisation (Steril B): this includes the planning and rental of sterile medical devices for operating rooms (linens for operating rooms and scrubs) packed in kits for the operating areas, in cotton or in re-usable technical fabric, as well as personal protection equipment;*
- *Sterilisation of surgical instruments (Steril C): this includes (i) the design and supply of washing, packaging and sterilisation services for surgical instruments (owned or rented) as well as accessories for operating rooms, (ii) the design, installation and renovation of sterilisation centres and, (iii) system validation and control services for sterilisation processes and surgical instrument washing systems.*

In terms of geographical areas, please note that the Servizi Italia Group:

- operates in Italian territory, with the exception of the Brazilian companies Lavsim Higienização Têxtil S.A., Maxlav Lavanderia Especializada S.A., Vida Lavanderias Especializada S.A. and Aqualav Serviços De Higienização Ltda held through the subsidiary SRI Empreendimentos e Participações Ltda, as well as the Turkish companies Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi and 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.
- mainly offers the same types of services in each geographical area in Italy and abroad.

As a result, information is not presented by geographical area, with the exception of revenue, which is broken down by region in paragraph 7.1.

The Servizi Italia Group considers the breakdown by business area to be more significant. The core business areas are identified based on how the Group is managed, how management responsibilities are attributed and how business reporting is analysed by the management.

<i>(thousands of Euros)</i>		Half-year ended as at 30 June 2023			
	Wash-hire	Steril B (Linen Sterilisation)	Steril C (Surgical Instruments Sterilisation)	Total	
Revenues from sales and services	107,688	9,686	26,472	<b>143,846</b>	
Other income	3,555	191	1,014	4,760	
Raw materials and materials	(8,853)	(2,893)	(2,282)	(14,028)	
Costs for services	(41,841)	(1,931)	(6,987)	(50,759)	
Personnel expense	(33,339)	(3,172)	(10,295)	(46,806)	
Other costs	(746)	(33)	(119)	(898)	
<b>EBITDA<sup>(a)</sup></b>	<b>26,464</b>	<b>1,848</b>	<b>7,803</b>	<b>36,115</b>	
Depreciation, amortisation and impairment	(25,326)	(1,226)	(2,200)	(28,752)	
<b>Operating profit (EBIT)</b>	<b>1,138</b>	<b>622</b>	<b>5,603</b>	<b>7,363</b>	
Financial income and expense and income and expense from equity investments in other companies				(4,448)	
<b>Profit before tax</b>				<b>2,915</b>	
Tax				(33)	
<b>Profit (loss) for the period</b>				<b>2,882</b>	
Of which portion attributable to shareholders of the parent				2,661	
Of which portion attributable to non-controlling interests				221	

(a) EBITDA is not an accounting measurement under the IFRSs endorsed by the European Union. 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.

<i>(thousands of Euros)</i>		Half-year ended as at 30 June 2022			
	Wash-hire	Steril B (Linen Sterilisation)	Steril C (Surgical Instruments Sterilisation)	Total	
Revenues from sales and services	101,767	9,264	23,011	<b>134,042</b>	
Other income	1,708	278	882	2,868	
Raw materials and materials	(9,773)	(2,694)	(2,264)	(14,731)	
Costs for services	(38,754)	(1,780)	(6,243)	(46,777)	
Personnel expense	(32,754)	(3,004)	(9,499)	(45,257)	
Other costs	(561)	(23)	(86)	(670)	
<b>EBITDA (a)</b>	<b>21,633</b>	<b>2,040</b>	<b>5,801</b>	<b>29,475</b>	
Depreciation, amortisation and impairment	(24,426)	(1,251)	(2,605)	(28,282)	
<b>Operating profit (EBIT)</b>	<b>(2,793)</b>	<b>790</b>	<b>3,198</b>	<b>1,193</b>	
Financial income and expense and income and expense from equity investments in other companies				989	
<b>Profit before tax</b>				<b>2,182</b>	
Tax				(237)	
<b>Profit (loss) for the period</b>				<b>1,945</b>	
Of which portion attributable to shareholders of the parent				2,207	
Of which portion attributable to non-controlling interests				(262)	

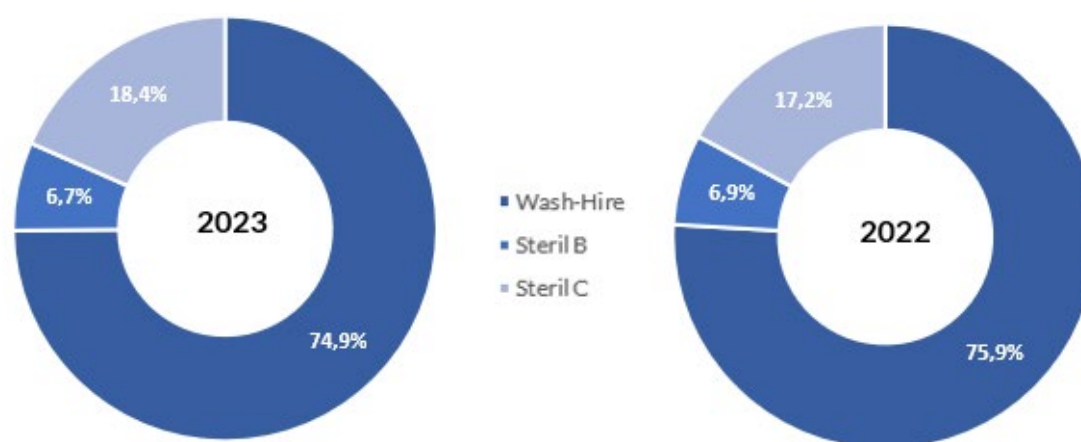
(a) EBITDA is not an accounting measurement under the IFRSs endorsed by the European Union. Group management has defined EBITDA as the difference between the value of sales and services and operating costs before depreciation, amortisation, write-downs, impairment and provisions.

Revenues from wash-hire services (which in absolute terms represent 74.9% of the Group's revenues) rose from Euro 101,767 thousand in the first six months of 2022 to Euro 107,688 thousand in the same period of 2023, recording an increase of 5.8% (or 8.6% at constant exchange rates), supported both by robust growth in wash-hire in Italy (+5.1%) and by a rapid recovery deriving from the price adjustment in the Turkey area (+21.1%, or +111.0% at constant exchange rates). The Italy area benefits from the excellent performance in terms of revenues for the growth related to the inflation adjustments accrued and subscribed in the course of 2022 and in the first half of 2023. Revenues in the Brazil area also showed a positive change in the period of 6.3%, i.e. organic growth of 4.9% and an increase of 1.4% driven by the appreciation of the Brazilian Real against the Euro.

Revenues from linen sterilisation services (**Steril B**) (which in absolute terms represent 6.7% of the Group's revenues) go from Euro 9,264 thousand in the first six months of 2022 to Euro 9,686 thousand, with an increase of 4.6% 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 18.4% of the Group's revenues) rose from Euro 23,011 thousand in 2022 to Euro 26,472 thousand in 2023, with an increase of 15.0% equal to Euro 3,461 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 half of 2023.

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



The information in the tables below represents the assets directly attributable to investments by business segment.

	30 June 2023			
	Wash-hire	Steril B (Linen Sterilisation)	Steril C (Surgical Instruments Sterilisation)	Total
<i>(thousands of Euros)</i>				
<b>Total revenues from sales and services</b>	<b>107,688</b>	<b>9,686</b>	<b>26,472</b>	<b>143,846</b>
Investments in property, plant and equipment and intangible assets	25,210	1,033	2,863	29,105
Depreciation of property, plant and equipment and amortisation of intangible assets	25,002	1,192	2,108	28,302
Net book value of property, plant and equipment and intangible assets	143,931	3,393	21,821	169,145

(thousands of Euros)		30 June 2022			
	Wash-hire	Steril B (Linen Sterilisation)	Steril C (Surgical Instruments Sterilisation)	Total	
<b>Total revenues from sales and services</b>	<b>101,767</b>	<b>9,264</b>	<b>23,012</b>	<b>134,042</b>	
Investments in property, plant and equipment and intangible assets	25,757	695	1,727	28,179	
Depreciation of property, plant and equipment and amortisation of intangible assets	24,457	1,256	2,611	28,324	
Net book value of property, plant and equipment and intangible assets	149,375	3,087	20,649	173,111	

## 5.1 Seasonality

The Group's economic and financial performance is not affected by particular significant cyclical or seasonal trends.

## 6 Statement of Financial Position

### 6.1 Property, plant and equipment

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

(thousands of Euros)	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 depreciation	(13,606)	(115,225)	(28,534)	(58,885)	(107,930)	-	(324,180)
<b>Balance as at 1 January 2023</b>	<b>28,895</b>	<b>42,534</b>	<b>7,479</b>	<b>10,760</b>	<b>66,805</b>	<b>8,306</b>	<b>164,779</b>
Translation differences	(214)	(986)	83	65	454	261	(337)
Inflation effect in Turkey	126	531	-	-	54	-	711
Increases	2,851	2,097	239	1,983	17,774	3,922	28,866
Decreases	-	(11)	-	(20)	(377)	(195)	(603)
Depreciation	(1,752)	(4,103)	(614)	(2,061)	(19,158)	-	(27,688)
Impairments (reinstatements)	-	-	-	-	(5)	-	(5)
Reclassifications	43	1,027	(17)	6	52	(1,111)	-
Other	-	-	-	-	-	-	-
<b>Balance as at 30 June 2023</b>	<b>29,949</b>	<b>41,089</b>	<b>7,170</b>	<b>10,733</b>	<b>65,599</b>	<b>11,183</b>	<b>165,723</b>
Historical cost	45,227	160,667	36,118	71,295	191,781	11,183	516,271
Accumulated depreciation	(15,278)	(119,578)	(28,948)	(60,562)	(126,182)	-	(350,548)
<b>Balance as at 30 June 2023</b>	<b>29,949</b>	<b>41,089</b>	<b>7,170</b>	<b>10,733</b>	<b>65,599</b>	<b>11,183</b>	<b>165,723</b>

The item Translation difference refers to the changes in exchange rates for the Brazilian companies (SIR Empreendimentos e Participações L.t.d.a., Lavsim Higienização Têxtil S.A., Maxlav Lavanderia Especializada S.A., Vida Lavanderias Especializada S.A., Aqualav Serviços De Higienização Ltda) and for the Turkish companies (Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi, Ergülteks Temizlik Tekstil Ltd. Sti.).

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 İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi ed Ergülteks Temizlik Tekstil Ltd. Sti.

Increases in the first half of 2023 refer primarily to investments in linens (Euro 16,727 thousand included in the item Other assets), to ensure increasingly more efficient inventory management, both for the partial renewal of contracts and for the first supply relating to contracts acquired during the period in question.

The item Land and Buildings recorded an increase of Euro 2,851 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 2,097 thousand, mainly relating to the plants in the Italy area for Euro 1,988 thousand, in the Brazil area for Euro 83 thousand and in the Turkish area for Euro 26 thousand.

The item Industrial and commercial equipment shows an increase of Euro 1,983 thousand, of which Euro 921 thousand relating to the purchase of surgical instruments for the first supply for contracts acquired and Euro 1,062 thousand for the purchase of industrial equipment.

The increases in Assets under construction relate to works on third-party assets still in progress. At regional level, they are broken down for Euro 3,127 thousand in the Italy area, mainly relating to the wash-hire division, for Euro 577 thousand in the Turkey area and for Euro 218 thousand in the Brazil area.

The reclassifications show decreases of Euro 1,111 thousand mainly relating to the entry into operation of new plants and machinery by the Parent Company.

The item “Assets under construction” refers to the investments under way at the end of the first half and is composed as follows:

<i>(thousands of Euros)</i>	as at 30 June 2023	as at 31 December 2022
Sterilisation centre investments	2,457	1,184
Laundering facility investments	2,239	1,667
Investments on contracts	1,551	1,117
Investments at production sites in Brazil	4,643	4,231
Investments at production sites in Turkey	293	107
<b>Total</b>	<b>11,183</b>	<b>8,306</b>

The item Assets under construction shows an increase in the item Investments for sterilisation plants mainly attributable to new investments made for the launch of new tenders related to sterilisation.

Assets under construction in the Brazil area mainly refer to investments relating to the sterilisation plant located in the São Paulo area.

## 6.2 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 under construction and payments on account	Total
Historical cost	8,358	8,367	500	285	17,510
Accumulated amortisation	(7,127)	(6,200)	(400)	-	(13,727)
<b>Balance as at 1 January 2023</b>	<b>1,231</b>	<b>2,167</b>	<b>100</b>	<b>285</b>	<b>3,783</b>
Translation differences	2	-	4	2	8
High inflation effect in Turkey	7	-	-	-	7
Increases	170	-	-	68	238
Decreases	-	-	-	-	-
Amortisation	(343)	(220)	(51)	-	(614)
Impairments (reinstatements)	-	-	-	-	-
Reclassifications	116	-	-	(116)	-
<b>Balance as at 30 June 2023</b>	<b>1,183</b>	<b>1,947</b>	<b>53</b>	<b>239</b>	<b>3,422</b>
Historical cost	8,632	8,367	533	239	17,771
Accumulated amortisation	(7,449)	(6,420)	(480)	-	(14,349)
<b>Balance as at 30 June 2023</b>	<b>1,183</b>	<b>1,947</b>	<b>53</b>	<b>239</b>	<b>3,422</b>

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 under construction and advances mainly relating to the purchase of new software licences by the Parent Company.



### 6.3 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.

Goodwill is allocated by geographical area as follows:

<i>(thousands of Euros)</i>	as at 31 December 2022	Increases/ (Decreases)	Translation differences	as at 30 June 2023
CGU Italy	51,668	-	-	51,668
CGU Turkey	3,431	-	(1,012)	2,419
CGU Brazil	7,295	-	497	7,792
<b>Total</b>	<b>62,394</b>	<b>-</b>	<b>(515)</b>	<b>61,879</b>

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

Apart from 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 these half-year consolidated financial statements, 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.

### 6.4 Equity-accounted investments

The value of equity-accounted investments changed as follows:

<i>(thousands of Euros)</i>	Change as at 30 June 2023					
	1 January 2023	Increases/(decreases)	OCI changes	Reinstatement/(impairment)	Translation difference	30 June 2023
<b>Associates and jointly controlled companies</b>						
Saniservice Sh.p.k.	615	-	-	353	68	1,036
Finanza & Progetti S.p.A.	17,395	-	(84)	1,079	-	18,390
Brixia S.r.l.	2,399	-	-	(50)	-	2,349
Arezzo Servizi S.c.r.l.	5	-	-	-	-	5
PSIS S.r.l.	4,422	-	-	218	-	4,640
Steril Piemonte S.r.l.	1,986	-	-	6	-	1,992
AMG S.r.l.	2,372	-	-	158	-	2,530
Iniziativa Produttive Piemontesi S.r.l.	1,229	-	-	75	-	1,304
Piemonte Servizi Sanitari S.c.r.l.	3	-	-	-	-	3
Servizi Sanitari Integrati Marocco S.a.r.l.	226	-	-	(95)	9	140
SAS Sterilizasyon Servisleri A.Ş.	763	306	-	11	(314)	766
Shubhram Hospital Solutions Private Limited	(3,393)	-	-	(487)	41	(3,839)
Sanitary Cleaning Sh.p.k.	1,652	-	-	(1,402)	(150)	100
<b>Total</b>	<b>29,674</b>	<b>306</b>	<b>(84)</b>	<b>(134)</b>	<b>(346)</b>	<b>29,416</b>
of which provisions for risk and charges	(3,393)	-	-	(487)	41	(3,839)
of which equity investments in associates and jointly controlled companies	33,067	306	(84)	353	(387)	33,255

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

The item OCI changes, equal to negative Euro 84 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 write-down of Euro 1,402 thousand relating to the company Sanitary Cleaning Sh.p.k. relates to the signing of a contract for the sale of the entire shareholding carried out in July 2023. The recoverable value of the investment, as well as the fair value of the company shares held, equal to 40%, amounts to Euro 100 thousand. Considering the future strategic scenarios, the equity investment, subordinated to the development of the industrial laundry market in the Albanian territory, is, to date, off target. Therefore, with a view to efficient resource management, the sale and disposal of the investment was assessed as the best option.

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".

## 6.5 Deferred tax assets

This item changed as follows:

<i>(thousands of Euros)</i>	Share capital increase costs	Leasing contracts	Property, plant and equipment	Employee benefits	Previous tax losses/"ACE" carried forward	Other costs with deferred deductibility	Total
<b>Deferred taxes as at 1 January 2023</b>	<b>3</b>	<b>496</b>	<b>554</b>	<b>-</b>	<b>8,830</b>	<b>1,426</b>	<b>11,309</b>
Changes recognised in the income statement	(1)	29	(25)	-	320	571	894
Changes recognised in equity	-	-	-	-	-	-	-
Changes recognised in other comprehensive income	-	7	-	-	(121)	42	(72)
<b>Deferred taxes as at 30 June 2023</b>	<b>2</b>	<b>532</b>	<b>529</b>	<b>-</b>	<b>9,029</b>	<b>2,039</b>	<b>12,131</b>

There are no deferred tax assets not recognised in the financial statements as the temporary differences generated were deemed recoverable in future years. The item Previous tax losses mainly refers to the tax losses generated by the Parent Company, certain Italian subsidiaries and the Turkish company Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi.

## 6.6 Trade receivables

The item is broken down as follows:

<i>(thousands of Euros)</i>	as at 30 June 2023	as at 31 December 2022
Due from third parties	67,292	60,051
Due from associates	9,075	6,624
Due from parent companies	187	114
Receivables from companies under the control of the parent companies	784	730
<b>Total</b>	<b>77,338</b>	<b>67,519</b>

### Trade receivables

The item is broken down as follows:

<i>(thousands of Euros)</i>	as at 30 June 2023	as at 31 December 2022
Trade receivables due from third parties	73,165	65,571
Bad debt provision	(5,873)	(5,519)
<b>Total</b>	<b>67,292</b>	<b>60,052</b>

The increase in the item Trade receivables is attributable to the increase in the level of sales revenues and a slight increase in the average collection days.

During the half, the Servizi Italia Group carried out some transactions involving the disposal of the receivables described below:

- it transferred without recourse to Credemfactor S.p.A. Euro 9,728 thousand in trade receivables for a consideration of Euro 9,613 thousand;
- it transferred without recourse to Unicredit Factoring S.p.A. Euro 16,515 thousand in trade receivables for a consideration of Euro 16,360 thousand;
- it transferred without recourse to IFITALIA Euro 7,248 thousand in trade receivables for a consideration of Euro 7,199 thousand;
- it transferred without recourse to BPER Factor S.p.A. Euro 12,153 thousand in trade receivables for a consideration of Euro 12,056 thousand;
- it transferred without recourse to Banca Ifis S.p.A. Euro 224 thousand in trade receivables for a consideration of Euro 220 thousand;

The bad debt provision changed as follows:

<i>(thousands of Euros)</i>	Total
<b>Balance as at 31 December 2022</b>	<b>5,519</b>
Utilisations	(100)
Adjustments	-
Provisions	454
<b>Balance as at 30 June 2023</b>	<b>5,873</b>

## 6.7 Other current assets

The item is broken down as follows:

<i>(thousands of Euros)</i>	as at 30 June 2023	as at 31 December 2022
Receivables from others	8,626	10,954
Deferred income	2,723	1,569
Guarantee deposits receivable	199	203
Accrued income	-	6
<b>Total</b>	<b>11,548</b>	<b>12,732</b>

The item Receivables from others is composed of the receivables of the company San Martino 2000 S.c.r.l. from the consortium company Servizi Ospedalieri S.p.A. in the amount of Euro 2,340 thousand, the VAT receivable pertaining to the Parent Company for Euro 3,280 thousand (Euro 4,729 thousand

as at 31 December 2022) and, for the remaining part, mainly by advances and receivables from social security and welfare institutions, all collectable 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.

## 6.8 Shareholders' equity

As at 30 June 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. In the first half of 2023, the Parent Company purchased 52,804 treasury shares for Euro 71 thousand, equal to 0.17% of the share capital, with an average purchase price of Euro 1.35 per share. Following these transactions, as at 30 June 2023 the Parent Company held 2,430,155 treasury shares amounting to 7.64% of the share capital. The value of the treasury shares held at 30 June 2023 of Euro 6,064 thousand was classified as a reduction in shareholders' equity. There was also a negative effect of Euro 676 thousand on the translation reserves in the equity of companies that prepare their financial statements in foreign currencies, mainly as a result of the revaluation of the Brazilian Real and the depreciation of the Turkish Lira, as well as the effect of high inflation in Turkey following the adoption of IAS 29 in the amount of Euro 921 thousand.

It should be noted that, although the Consolidated Shareholders' Equity of the Servizi Italia Group is higher than the share market capitalisation as at 30 June 2023, it is considered recoverable in consideration of the results of the impairment tests carried out as at 31 December 2022.

## 6.9 Due to banks and other lenders

The item is broken down as follows:

(thousands of Euros)	as at 30 June 2023			as at 31 December 2022		
	Current	Non-current	Total	Current	Non-current	Total
Due to banks	71,072	40,580	111,652	78,354	35,262	113,616
Due to other lenders	3,876	28,061	31,937	3,406	27,222	30,628
<b>Total</b>	<b>74,948</b>	<b>68,641</b>	<b>143,589</b>	<b>81,760</b>	<b>62,484</b>	<b>144,244</b>

### Due to banks

The portion of the payable falling due within 12 months relating to the item Due to banks as at 30 June 2023 presents a decrease with respect to 31 December 2022 of Euro 7,282 thousand as a result of lower recourse to self-financing credit lines and the mortgage payments made in the period. The portion of payables due beyond 12 months relating to the item Payables to banks as at 30 June 2023 shows an increase compared to 31 December 2022 of Euro 5,318 thousand due to the net effect of the repayment of the loan instalments due during the year and the taking out of new mortgages in the period, respectively, for Euro 10,000 thousand with Credit Agricòle S.p.A. and for Euro 8,000 thousand with Cassa di Risparmio di Bolzano S.p.A. The breakdown of payables to banks by maturity is provided below:

(thousands of Euros)	as at 30 June 2023	as at 31 December 2022
Maturity less than or equal to 6 months	60,181	64,093
Maturity between 6 and 12 months	10,891	14,261
Maturity between 1 and 5 years	39,143	32,449
More than 5 years	1,437	2,813
<b>Total</b>	<b>111,652</b>	<b>113,616</b>

Non-current amounts due to banks are broken down by maturity as follows:

<i>(thousands of Euros)</i>	as at 30 June 2023	as at 31 December 2022
Maturity from 1 to 2 years	16,563	16,640
Maturity between 2 and 5 years	22,580	15,809
More than 5 years	1,437	2,813
<b>Total</b>	<b>40,580</b>	<b>35,262</b>

Some medium/long-term loans are subject to financial covenants on data inferred from the consolidated financial statements at the end of the year; no obligation to comply with financial covenants is envisaged as at 30 June 2023 except for the covenants in place on the loan granted by Unicredit S.p.a. and on the loan granted by Cassa Depositi e Prestiti, which envisage compliance with two half-yearly ratios, respectively  $NFP/SE \leq 2$  and  $NFP/EBITDA \leq 3$ , both met.

#### *Due to other lenders*

For the current portion, payables to other lenders as at 30 June 2023 mainly relate to the debt contracted by the Turkish companies, in addition to financial payables relating to lease contracts, represented in the financial statements according to IFRS 16, for Euro 3,684 thousand.

The non-current portion of the balance as at 30 June 2023 is attributable to financial payables relating to lease contracts for Euro 28,061 thousand.

Due to other lenders are broken down by maturity below:

<i>(thousands of Euros)</i>	as at 30 June 2023	as at 31 December 2022
Maturity less than or equal to 6 months	1,527	2,218
Maturity between 6 and 12 months	2,350	1,188
Maturity between 1 and 5 years	13,390	12,063
More than 5 years	14,671	15,159
<b>Total</b>	<b>31,937</b>	<b>30,628</b>

Non-current amounts due to other lenders are broken down by maturity as follows:

<i>(thousands of Euros)</i>	as at 30 June 2023	as at 31 December 2022
Maturity from 1 to 2 years	3,575	3,252
Maturity between 2 and 5 years	9,815	8,811
More than 5 years	14,671	15,159
<b>Total</b>	<b>28,061</b>	<b>27,222</b>

## 6.10 Deferred tax liabilities

Deferred tax liabilities are broken down below by nature of the timing differences that generated them:

<i>(thousands of Euros)</i>	Property, plant and equipment and intangible assets	Equity investments	Goodwill	Inflation effect in Turkey	Total
<b>Deferred tax liabilities as at 1 January 2023</b>	<b>349</b>	<b>3</b>	<b>1,721</b>	<b>797</b>	<b>2,870</b>
Changes recognised in the income statement	(20)	-	16	(32)	(36)
Changes recognised under shareholders' equity	-	-	-	(59)	(59)
Changes recognised in other comprehensive income	(32)	-	-	-	(32)
<b>Deferred tax liabilities as at 30 June 2023</b>	<b>297</b>	<b>3</b>	<b>1,737</b>	<b>706</b>	<b>2,743</b>

There are no deferred taxes which have not been recognised, since the related payment is deemed unlikely.

### 6.11 Employee benefits

This item changed as follows:

<i>(thousands of Euros)</i>	Total
<b>Initial balance as at 1 January 2023</b>	<b>8,055</b>
Provision	487
Financial expenses	-
Actuarial (gains)/losses	-
Transfers (to)/from other provisions (Payments)	(484)
Translation differences	(43)
<b>Final balance as at 30 June 2023</b>	<b>8,015</b>

### 6.12 Provisions for risks and charges

The item is broken down as follows:

<i>(thousands of Euros)</i>	as at 30 June 2023	as at 31 December 2022
<b>Opening balance</b>	<b>8,483</b>	<b>6,360</b>
Provisions	788	3,554
Payments/resolutions	(583)	(1,439)
Translation differences	78	8
<b>Closing balance</b>	<b>8,766</b>	<b>8,483</b>
of which non-current portion	6,737	6,386
of which current portion	2,029	2,097

The item includes the provision for coverage of losses on equity investments for Euro 3.839 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 788 thousand, of which Euro 487 thousand relate to the losses attributable to the Servizi Italia Group recorded by the equity investment Shubhram Hospital Solutions Private Limited, while approximately Euro 227 thousand were allocated to various provisions by the Parent Company.

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. The item Uses/resolutions also includes uses relating to the provision for onerous contracts by the Parent Company for Euro 121 thousand.

### 6.13 Trade payables

The item is broken down as follows:

<i>(thousands of Euros)</i>	as at 30 June 2023	as at 31 December 2022
Due to suppliers	77,653	77,936
Due to associates and the parent company	2,380	1,974

Due to parent company	4,876	5,167
<b>Total</b>	<b>84,909</b>	<b>85,077</b>

Trade payables decreased from Euro 85,077 thousand as at 31 December 2022 to Euro 84,909 thousand as at 30 June 2023, a decrease of Euro 168 thousand.

#### 6.14 Other financial liabilities

The item is broken down as follows:

<i>(thousands of Euros)</i>	as at 30 June 2023	as at 31 December 2022
Payable for Steritek S.p.A. put option	460	456
Payable for Wash Service S.r.l. put option	399	395
Deferred price Aqualav Serviços De Higienização Ltda	14	13
<b>Total</b>	<b>873</b>	<b>864</b>
of which non-current portion	460	851
of which current portion	413	13

The change in the item is primarily related to the capitalisation of financial charges relating to the discounting of the debt of the options recorded. The short-term classification of the payable for the put option relating to 10% of the shares of Wash Service S.r.l., whose right exercise expires on 30 June 2024, should also be noted.

#### 6.15 Other payables

The table below provides a breakdown of other current liabilities:

<i>(thousands of Euros)</i>	as at 30 June 2023	as at 31 December 2022
Deferred income and accrued expenses	837	714
Payables due to social security and welfare institutions	4,884	4,630
Due to employees	12,256	10,916
Employee/professional IRPEF (personal income tax) payable	1,615	2,791
Other payables	960	894
<b>Total</b>	<b>20,552</b>	<b>19,945</b>

##### *Due to employees*

Payables to employees increased compared to 31 December 2022, from Euro 10,916 thousand as at 31 December 2022 to Euro 12,256 thousand as at 30 June 2023.

##### *Payables due to social security and welfare institutions*

Amounts due to social security and welfare institutions include contributions to INPS/INAIL/INPDAl (National Social Security Institution/Italian Institution for Insurance Against Workplace Accidents/National Welfare Institute for Industrial Managerial Employees), all falling due within the year.

## 6.16 Net financial debt

The Group's net financial debt as at 30 June 2023, as at 31 December 2022 and as at 30 June 2022 is shown below:

(thousands of Euros)	as at 30 June 2023	as at 31 December 2022	as at 30 June 2022
Cash and cash equivalents in hand	29	24	25
Cash at bank	11,359	18,141	3,833
<b>Cash and cash equivalents</b>	<b>11,388</b>	<b>18,165</b>	<b>3,858</b>
Current financial receivables	7,149	7,080	9,390
Current due to banks and other lenders	(74,948)	(81,760)	(85,446)
<i>of which Financial liabilities under IFRS 16</i>	<i>(3,684)</i>	<i>(3,360)</i>	<i>(3,346)</i>
<b>Current net financial debt</b>	<b>(67,799)</b>	<b>(74,680)</b>	<b>(76,056)</b>
Non-current due to banks and other lenders	(68,641)	(62,484)	(48,248)
<i>of which Financial liabilities under IFRS 16</i>	<i>(28,061)</i>	<i>(27,222)</i>	<i>(27,339)</i>
<b>Non-current net financial debt</b>	<b>(68,641)</b>	<b>(62,484)</b>	<b>(48,248)</b>
<b>Net financial debt</b>	<b>(125,052)</b>	<b>(118,999)</b>	<b>(120,446)</b>

Please refer to the statement of cash flows for the description of the cash flows generated by operating, financing and investment activities and the associated effects on the cash and cash equivalents.

The change in net financial debt at 30 June 2023 compared to 31 December 2022 includes investments in materials, primarily textile linen products to be fed into the production process, for approximately Euro 24.6 million, and financial contributions in jointly controlled companies for a total of Euro 0.8 million. Therefore, the consolidated net financial position went from Euro 118,999 thousand as at 31 December 2022 to Euro 125,052 thousand as at 30 June 2023, with a negative change of Euro 6,053 thousand (of which Euro 1,163 thousand relating to the increase in financial liabilities relating to payables pursuant to IFRS 16). 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, which is applicable from 5 May 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 30 June 2023	as at 31 December 2022	as at 30 June 2022
A. Cash and cash equivalents	11,388	18,165	3,858
B. Cash and cash equivalents	-	-	-
C. Other current financial assets	7,149	7,080	9,390
<b>D. Cash and cash equivalents (A)+(B)+(C)</b>	<b>18,537</b>	<b>25,245</b>	<b>13,248</b>
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(47,357)	(53,363)	(52,217)
F. Current portion of non-current borrowings	(28,004)	(28,410)	(34,852)
<i>of which Financial liabilities under IFRS 16</i>	<i>(3,684)</i>	<i>(3,360)</i>	<i>(3,346)</i>
<b>G. Current financial debt (E) + (F)</b>	<b>(75,361)</b>	<b>(81,773)</b>	<b>(87,069)</b>
<b>H. Current net financial debt (G) - (D)</b>	<b>(56,824)</b>	<b>(56,528)</b>	<b>(73,821)</b>
I. Non-current financial debt (excluding the current portion and debt instruments)	(68,641)	(62,484)	(48,248)
<i>of which Financial liabilities under IFRS 16</i>	<i>(28,061)</i>	<i>(27,222)</i>	<i>(27,339)</i>
J. Debt instruments	-	-	-



K. Trade and other non-current payables	(460)	(851)	(391)
<b>L. Non-current financial debt (I) + (J) + (K)</b>	<b>(69,101)</b>	<b>(63,335)</b>	<b>(48,639)</b>
<b>M. Net financial debt (H) + (L)</b>	<b>(125,925)</b>	<b>(119,863)</b>	<b>(122,460)</b>

## 6.17 Financial guarantee contracts

The table below lists the guarantees given by the Group, in place as at 30 June 2023 and as at 31 December 2022:

<i>(thousands of Euros)</i>	as at 30 June 2023	as at 31 December 2022
Guarantees issued by banks and insurance companies for tenders	72,815	73,726
Guarantees issued by banks and insurance companies for lease agreements and utilities	148	184
Guarantees issued by banks and insurance companies in favour of third parties	82,852	65,108
Owned assets held by third parties	152	154
Third party assets held at our facilities	-	-
Pledge on Asolo Hospital Service S.p.A. shares given as loan guarantee	66	66
Pledge on Sesamo S.p.A. shares given as loan guarantee	237	237
Pledge on Prog.Este S.p.A. shares given as loan guarantee	1,212	1,212
Pledge on Progeni S.p.A. shares given as loan guarantee	76	76
Pledge on Synchron shares given as loan guarantee	344	344
Pledge on Futura S.r.l. stake given as loan guarantee	9	89
Pledge on Summano Sanità shares given as loan guarantee	10	10
<b>Total</b>	<b>157,921</b>	<b>141,206</b>

Guarantees issued by banks and insurance companies for tenders: these were issued on behalf of the Group in favour of customers or potential customers for participation in tenders, to guarantee the correct execution of the service.

Guarantees issued by banks and insurance companies for lease agreements and utilities: these were issued on behalf of the Group to guarantee the payment of lease instalments and invoices for the supply of electricity and gas.

Guarantees issued by banks and insurance companies in favour of third parties: these are guarantees issued to back the payment of the company's portion of the project financing and guarantees issued in favour of PSIS S.r.l., Steril Piemonte S.r.l., I.P.P. S.r.l., Gesteam S.r.l., Saniservice Sh.p.k. and Shubhram Hospital Solutions Private Limited and Saniservice Sh.p.k. to back loan agreements.

Mortgage loans on owned property: the Group has not granted liens on owned property and has no mortgage loans. Pledge on shares of Asolo Hospital Service, Sesamo, Progeni, Prog.Este, Synchron, Futura and Summano Sanità to back the loans granted to project companies: this pledge was granted to the banks providing the project financing on the shares representing the Group's interest in the special purpose entity.

## 7 Income statement

### 7.1 Sales revenues

The item is broken down as follows by business:

(thousands of Euros)	Half-year ended as at 30 June	
	2023	2022
Wash-hire	107,688	101,767
Steril B (Linen Sterilisation)	9,686	9,264
Steril C (Surgical Instruments Sterilisation)	26,472	23,011
<b>Sales revenues</b>	<b>143,846</b>	<b>134,042</b>

Revenue and services by geographical area are broken down as follows:

(thousands of Euros)	Half-year ended as at 30 June	
	2023	2022
Italy	124,363	116,197
Brazil	15,339	14,424
Turkey	4,144	3,421
<b>Sales revenues</b>	<b>143,846</b>	<b>134,042</b>

### 7.2 Other income

The item is broken down as follows:

(thousands of Euros)	as at 30 June 2023	as at 30 June 2022
Rental income	312	270
Capital gains from asset sale	242	700
Recovery costs pertaining to third parties	405	240
ATI income	771	894
Contingent assets	64	64
Recovered costs and sundry income	994	679
Operating grants	1,972	21
<b>Total</b>	<b>4,760</b>	<b>2,868</b>

The item "Other income" increased from Euro 2,868 thousand as at 30 June 2022 to Euro 4,760 thousand as at 30 June 2023, recording an increase of Euro 1,892 thousand. The increase as at 30 June 2023 is mainly attributable to the item Operating grants recognised for the use of the electricity and gas tax credit benefit for the first and second quarter of 2023 equal to Euro 1,951 thousand.

### 7.3 Raw materials and consumables

As of 30 June 2023, the consumption of raw materials amounted to Euro 14,028 thousand, recording a decrease of Euro 703 thousand compared to the previous period, mainly as a result of lower costs incurred for the purchase of disposable products and PPE, which offset the higher costs incurred for consumables and fuels, spare parts and washing products, which were negatively affected by the persisting of increasing price dynamics in place. Consumption also refers to the purchase of chemical products and packaging for plastic materials.

## 7.4 Costs for services

The item is broken down as follows:

(thousands of Euros)	Half-year ended as at 30 June	
	2023	2022
External laundering and other industrial services	16,888	16,473
Travel and transport	8,300	7,749
Utilities	12,014	10,334
Administrative costs	1,686	1,348
Consortium and sales costs	2,947	2,986
Personnel expense	1,662	1,445
Maintenance	4,572	4,505
Use of third-party assets	1,550	1,371
Other services	1,140	566
<b>Total</b>	<b>50,759</b>	<b>46,777</b>

Costs for services recorded an increase of 8.5% compared to the same period of the previous year equal to Euro 3,982 thousand, going from Euro 46,777 thousand in the first half of 2022 to Euro 50,759 thousand in the first half of 2023. The increase is also seen in terms of incidence on revenues, which rose from 34.9% in the first half of 2022 to 35.3% in the first six months of 2023, mainly because of higher costs incurred for utilities, which show an increase of Euro 1,680 thousand compared to the same period of the previous year, or a growth of 0.6% in terms of incidence on revenues.

The item External laundering and other industrial services recorded an increase of Euro 415 thousand, deriving from the changed logistical and production structure aimed at managing the laundry and cloakroom services as well a substantial increase in the tariffs applied by our suppliers, starting from the second part of the 2022 financial year, which incorporate the increases in costs for the period.

Travel and transport costs show an increase of Euro 551 thousand compared to 30 June 2022, mainly pertaining to the Parent Company, relating to the hotel sector following the higher volumes generated compared to the first half of 2022, as well as the launch of new tenders in the central-southern area of Italy, and from the Brazil area due to the continued high rates charged by suppliers.

## 7.5 Personnel expense

The item is broken down as follows:

(thousands of Euros)	Half-year ended as at 30 June	
	2023	2022
Costs for directors' fees	594	618
Salaries and wages	31,600	30,705
Temporary work	2,154	1,567
Social security charges	10,431	10,135
Employee severance indemnity	1,897	2,114
Other costs	130	118
<b>Total</b>	<b>46,806</b>	<b>45,257</b>

The item Personnel expense went from Euro 45,257 thousand as at 30 June 2022 to Euro 46,806 thousand as at 30 June 2023, recording an increase of Euro 1,549 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. Although up in absolute terms, it

should also be noted that the item Personnel costs showed a decrease in terms of relative incidence of 1.2% compared to the first half of 2022.

The average number of Group employees is shown in the following table:

	Personnel as at 30 June	
	2023	2022
Executives	18	17
Middle managers	39	37
White-collar staff	368	299
Blue-collar staff	3,095	3,374
<b>Total</b>	<b>3,520</b>	<b>3,727</b>

## 7.6 Depreciation/amortisation, impairment and provisions

The item is broken down as follows:

<i>(thousands of Euros)</i>	Half-year ended as at 30 June	
	2023	2022
Amortisation of intangible assets	614	604
Depreciation of property, plant and equipment	27,688	27,720
Impairment and provisions	450	(42)
<b>Total</b>	<b>28,752</b>	<b>28,282</b>

The item Depreciation, amortisation, impairment and provisions recorded an increase compared to the same period of the previous year of Euro 470 thousand, from Euro 28,282 thousand in the first half of 2022 to Euro 28,752 thousand in the first half of 2023, while the relative incidence decreased, from 21.1% in the first half of 2022 to 20.0% in the first half of 2023.

## 7.7 Financial income and expense

Financial income is broken down as follows:

<i>(thousands of Euros)</i>	Half-year ended as at 30 June	
	2023	2022
Bank interest income	5	34
Default interest	96	39
Interest income on loans to third-party companies	393	305
Other financial income	76	298
High inflation effect	-	641
Exchange rate gains	-	140
<b>Total</b>	<b>570</b>	<b>1,457</b>

Financial expenses are composed as follows:

<i>(thousands of Euros)</i>	Half-year ended as at 30 June	
	2023	2022
Interest expense and bank commission	(2,280)	(1,174)
Interest and expense to other lenders	(447)	(92)
High inflation effect	(314)	-
Financial expense on employee benefits	(104)	(16)
Exchange rate losses	(978)	-
Other financial expenses	(1,117)	(1,057)
<b>Total</b>	<b>(5,240)</b>	<b>(2,339)</b>

Financial income decreased from Euro 1,457 thousand as at 30 June March 2022 to Euro 570 thousand as at 30 June 2023, showing a negative change of Euro 887 thousand. In the comparison period, in fact, there was a positive effect deriving from the revaluation of non-monetary items related to high inflation in Turkey for Euro 641 thousand as well as Euro 168 thousand for exchange gains.

Financial charges increased from Euro 2,339 thousand as at 30 June 2022 to Euro 5,240 thousand as at 30 June 2023, an increase of Euro 2,901 thousand primarily due to the increase in interest rates recorded for outstanding payables to credit institutions, to the exchange losses generated in the period mainly related to the depreciation of the Turkish Lira against the Euro and also to the adjustment effect of the non-monetary items deriving from the application of IAS 29 - Hyperinflation by the Turkish companies Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi and Ergülteks Temizlik Tekstil Ltd. Sti for Euro 314 thousand. The item Other financial charges includes the costs relating to interest expense pursuant to IFRS 16.

## 7.8 Current and deferred taxes

The item is broken down as follows:

(thousands of Euros)	Half-year ended as at 30 June	
	2023	2022
Current taxes	891	729
Deferred tax (assets)/liabilities	(858)	(492)
<b>Total</b>	<b>33</b>	<b>237</b>

## 7.9 Earnings per share

Basic and diluted earnings per share are calculated in the tables below.

(thousands of Euros)	Half-year ended as at 30 June	
	2023	2022
Profit/loss attributable to shareholders of the parent company	2,661	2,207
Average number of shares	29,417	29,656
<b>Basic earnings/(losses) per share</b>	<b>0.09</b>	<b>0.07</b>

(thousands of Euros)	Half-year ended as at 30 June	
	2023	2022
Profit (loss) for the period attributable to the Group:	2,661	2,207
Average number of shares outstanding	29,417	29,656
Number of shares with dilutive effect	-	-
Average number of shares used to calculate diluted EPS	29,417	29,656
<b>Diluted earnings/(losses) per share</b>	<b>0.09</b>	<b>0.07</b>

## 8 Transactions with group companies and related parties

The transactions of Servizi Italia S.p.A. with related parties are conducted in compliance with the applicable Regulations governing transactions with related parties and concern primarily:

- dealings associated with commercial service agreements;
- financial dealings, represented by loans.

From an economic, equity and financial point of view, the group of main transactions constitute ordinary transactions conducted under conditions equivalent to market or standard conditions and are regulated by the appropriate contracts. These transactions are basically a set of combined operations of a homogeneous nature carried out starting from the beginning of the reference financial year, and are qualifiable individually as being of greater importance, not even their combination in the reference period. The amount exposed in the reference period was generated by the renewal of existing contracts or contracts stipulated in the same period.

No new loans were stipulated with related parties in the half year ended as at 30 June 2023 with a significant impact on the financial disclosures of the Servizi Italia Group.

The economic transactions with the related parties of the Servizi Italia Group are shown below as at 30 June 2023:

<i>(thousands of Euros)</i>	30 June 2023							
<i>Economic transactions</i>	Sale of goods and services	Other income	Purchases of goods and services	Personnel expense	Purchases of property, plant and equipment and intangible assets	Other costs	Financial income	Financial expenses
Coopservice S.Coop.p.A. (parent company)	4	86	6,541	-	-	2	-	-
Aurum S.p.A. (parent company)	-	-	-	-	-	-	-	-
Arezzo Servizi S.c.r.l. (joint control)	-	5	486	-	-	-	7	-
Psis S.r.l. (joint control)	130	56	1	-	4	30	-	-
Amg S.r.l. (joint control)	-	4	236	-	-	-	-	-
Steril Piemonte S.r.l. (joint control)	-	-	-	-	-	-	-	-
Piemonte Servizi Sanitari S.c.r.l. (associate)	-	63	251	-	-	-	3	-
Iniziative Produttive Piemontesi S.r.l. (associate)	14	-	181	-	-	-	1	-
SAS Sterilizasyon Servisleri A.Ş. (joint control)	-	-	-	-	-	-	-	-
Shubhram Hospital Solutions Private Limited (joint control)	-	-	-	-	-	-	84	-
Sanitary cleaning Sh.p.k. (joint control)	-	-	-	-	-	-	-	-
Saniservice Sh.p.k. (joint control)	183	60	-	-	-	-	131	-
Servizi Sanitari Integrati Marocco S.a.r.l. (joint control)	-	-	-	-	-	-	-	-
Finanza & Progetti S.p.A. (joint control)	-	12	-	-	-	-	117	-
Brixia S.r.l. (associate)	2,000	-	19	-	-	-	-	-
Focus S.p.A. (affiliated)	-	-	1,536	-	-	14	-	567
Archimede S.p.A. (affiliated)	-	-	-	-	-	-	-	-
New Fleur S.r.l. (affiliated)	-	98	-	-	-	-	-	-
Ospedal Grando S.p.A. (related party)	5,603	-	109	-	-	-	-	-
Akan & Ankateks JV (associate)	219	-	-	18	-	-	-	-
Akan (related party)	-	-	1	-	-	-	-	-
Nimetsu & Ankateks JV (associate)	-	-	-	-	-	-	-	-
Atala (related party)	-	-	-	-	-	-	-	-
Ankor (related party)	-	-	-	-	-	-	-	-
Ozdortler (related party)	-	-	-	-	-	-	-	-
Oguzalp Ergul (related party)	-	-	-	-	-	-	5	-
Feleknaz Demir (related party)	-	-	-	-	-	-	-	-
Volkan Akan (related party)	-	-	-	-	-	-	-	-
Fevzi Cenk Kiliç (related party)	-	-	-	-	-	-	-	-
Olimpos (related party)	-	-	363	-	-	-	-	-
<b>Total</b>	<b>8,153</b>	<b>384</b>	<b>9,724</b>	<b>18</b>	<b>4</b>	<b>46</b>	<b>348</b>	<b>567</b>

As regards income statement transactions with related parties, aside from the figures shown above, Personnel expense as at 30 June 2023 includes Directors' fees of Euro 686 thousand (of which Euro 111 thousand for social security charges) and executive personnel expense of Euro 1,588 thousand.

In relation to the company Focus S.p.A., it should be noted that the Group represented the lease payments for the period equal to Euro 1,541 thousand as amortisation of rights of use equal to Euro 1,113 thousand and financial charges equal to Euro 567 thousand, in accordance with the provisions of IFRS 16.

Transactions with related parties of the Servizi Italia Group with an impact on the statement of financial position are shown below as at 30 June 2023:

<i>(thousands of Euros)</i>		30 June 2023				
<i>Statement of financial position</i>	Amount of trade receivables	Amount of trade payables	Amount of financial receivables	Value of rights of use	Amount of financial payables	Amount of other liabilities
Coopservice S.Coop.p.A. (parent company)	187	4,854	-	-	-	-
Aurum S.p.A. (parent company)	-	-	-	-	-	-
Arezzo Servizi S.c.r.l. (joint control)	13	466	487	-	-	-
Psis S.r.l. (joint control)	127	34	-	-	-	-
Amg S.r.l. (joint control)	8	583	-	-	-	-
Steril Piemonte S.r.l. (joint control)	-	-	-	-	-	-
Piemonte Servizi Sanitari S.c.r.l. (associate)	668	548	160	-	-	-
Iniziative Produttive Piemontesi S.r.l. (associate)	29	619	54	-	-	-
SAS Sterilizasyon Servisleri A.Ş. (joint control)	-	-	-	-	-	-
Shubhram Hospital Solutions Private Limited (joint control)	-	-	2,467	-	-	-
Sanitary cleaning Sh.p.k. (joint control)	-	-	-	-	-	-
Saniservice Sh.p.k. (joint control)	1,037	-	3,899	-	-	-
Servizi Sanitari Integrati Marocco S.a.r.l. (joint control)	-	-	-	-	-	-
Finanza & Progetti S.p.A. (joint control)	381	-	2,971	-	-	-
Brixia S.r.l. (associate)	974	19	-	-	-	-
Focus S.p.A. (affiliated)	-	-	-	18,499	20,068	-
Archimede S.p.A. (affiliated)	-	-	-	-	-	-
New Fleur S.r.l. (affiliated)	725	11	-	-	-	-
Ospedal Grando S.p.A. (related party)	5,925	101	-	-	-	-
Akan & Ankateks JV (associate)	561	-	-	-	-	-
Akan (related party)	-	-	-	-	289	-
Nimetsu & Ankateks JV (associate)	-	-	-	-	-	-
Atala (related party)	67	-	-	-	-	-
Ankor (related party)	-	-	775	-	14	-
Ozdortler (related party)	-	-	-	-	-	-
Oguzalp Ergul (related party)	-	-	35	-	-	-
Feleknaz Demir (related party)	-	-	-	-	-	-
Volkan Akan (related party)	62	-	-	-	-	-
Fevzi Cenk Kiliç (related party)	28	-	-	-	-	-
Olimpos (related party)	-	89	-	-	-	-
<b>Total</b>	<b>10,792</b>	<b>7,324</b>	<b>10,848</b>	<b>18,499</b>	<b>20,371</b>	<b>-</b>

## 9 Company officers' fees

Economic transactions with the company officers as at 30 June 2023 are summarised below.

- Board of Directors: Euro 686 thousand (recognised as personnel expense);
- Board of Statutory Auditors: Euro 42 thousand (recognised as Costs for services).

## 10 Income from non-recurring, atypical and/or unusual transactions

No income from non-recurring transactions was recorded during the half.

During the half, no atypical and/or unusual transactions were entered into, as defined in Consob communication No. 6064293 of 28 July 2006.

The Chairman of the Board of Directors  
(Roberto Olivi)



## Certification of the condensed half-year financial statements pursuant to Art. 81 ter of Consob regulation No. 11971 of 14 May 1999 as amended

Castellina di Soragna, 10 August 2023

1. Also in consideration of the provisions of Art. 154-bis, paragraphs 3 and 4 of Italian Legislative Decree no. 58 of 24 February 1998, the undersigned Roberto Olivi, in his capacity as Chairman of the Board of Directors, and Angelo Minotta, in his capacity as Financial Reporting Manager of Servizi Italia S.p.A., certify:

- the adequacy in relation to the characteristics of the business and;
- the effective application of the administrative and accounting procedures to prepare the half-year condensed consolidated financial statements from 1 January 2023 to 30 June 2023.

2. It is also certified that:

2.1. the condensed half-year financial statements:

- a) have been prepared in compliance with the applicable international accounting standards recognised in the European Community pursuant to Regulations (EC) no. 1606/2002 of the European Parliament and of the Council, dated 19 July 2002;
- b) correspond to the books and accounting entries;
- c) provide a true and fair view of the financial position, income and cash flows of the Company and all the companies included in the scope of consolidation.

2.2. The interim directors' report includes a reliable analysis of the significant events that took place in the first six months of the year and their impact on the condensed half-year financial statements, along with a description of the principal risks and uncertainties for the remaining six months of the year. The interim directors' report also includes a reliable analysis of the information on related party transactions.

The Chairman of the Board of Directors

Roberto Olivi

The Financial Reporting Manager

Angelo Minotta

## REPORT ON REVIEW OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of  
Servizi Italia S.p.A.

### Introduction

We have reviewed the accompanying half-yearly condensed consolidated financial statements of Servizi Italia S.p.A. and subsidiaries (the “Servizi Italia Group”), which comprise the statement of financial position as of June 30, 2023 and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six month period then ended, and a summary of significant accounting policies and other explanatory notes. The Directors are responsible for the preparation of the half-yearly condensed consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the half-yearly condensed consolidated financial statements based on our review.

### Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange (“Consob”) for the review of the half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an 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.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements of Servizi Italia Group as at June 30, 2023 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by

**Luca Pasquini**  
Partner

Parma, Italy  
August 10, 2023

*This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.*