ANNUAL
FINANCIAL REPORT

At December 31, 2023

Diasorin
The Diagnostic Specialist

Letter to Shareholders

Dear Shareholders and Stakeholders,

I am pleased and proud to comment the year just ended and present Diasorin's Financial Statements for 2023.

The year 2023 was extremely intense and challenging for the Diasorin Group, as we concluded a three-year period characterised by extraordinary events such as the Covid pandemic and the acquisition of Luminex. In order to fully understand the results achieved in this last year, I believe that we need to interpret them in a broad and concrete perspective.

First of all, I would like to congratulate and thank the management and all the employees for the outstanding commitment and competence they have demonstrated and that are evident in the results achieved. This is proof that, as in the past, the attitude for excellence and vision were key drivers in this crucial stage of our recent history and allowed us to achieve the objectives set.

The Covid pandemic deeply affected our daily life and led to radical changes in the diagnostic business in which we operate. During the acute phase of the pandemic, Diasorin was able to react immediately and effectively by developing, sometimes first, new products that provided doctors, hospitals and laboratories with effective solutions to better manage the state of crisis. Diasorin maintained a strategic leading role and achieved a new global visibility and credibility.

As proof of its entrepreneurial character and consolidated managerial culture, Diasorin capitalized the favorable moment by focusing on the acquisition of Luminex - the most important acquisition ever made in the United States by an Italian company in our sector. The acquisition of Luminex has been a great opportunity and confirmed the need to consolidate our new position gained during the pandemic as global player.

The results achieved in 2023 confirm today that we have successfully completed the integration process of Luminex and Diasorin, clearly demonstrating the soundness of our strategy. Almost three years after the acquisition, we are absolutely satisfied.

The Diasorin Group with Luminex is a completely new, strong and global, company. We maintained our leadership as "Specialist Company" in the immunodiagnostics area, consolidated our presence in the molecular diagnostics with an increasingly wide range of solutions and entered the strategic and complementary Life Science sector as key player, adding an exciting presence in this field.

At the same time, Luminex allowed us to grow with a very strong visibility in the U.S. market that today accounts for 50% of our total revenues, confirming and consolidating our presence in Europe, as we prepare to address an exciting challenge in China where we will soon operate with a manufacturing facility in Shanghai.

Today, the Diasorin Group is a top-notch company and its global dimension allows us to be competitive and close to the ever-changing needs of the market, primarily as a result of strategic partnerships with the main global players, the wide range of product menus, and the balanced and full family of company’s analyzers, ranging from the consolidated platforms that are already on the market to the new ones that will be launched from early March 2024.

And this is reflected in the figures and financial data contained in these Financial Statements. However, it is important to highlight an intangible aspect that was completed just last year. The acquisition of Luminex meant bringing together two companies that have different histories, cultures and mindsets. These differences, in their complementarity, were immediately understood as a great opportunity to grow and create value stemming from their combination.

We implemented a process of cultural and business fusion. It was an intense and delicate process, which was made possible only with the contribution of each company and all employees. It was challenging and required time, dialogue and exchange of ideas, but we made it true and with a result beyond all expectations. Of course, 2023 was the year in which we reached the definitive new balance. A balance between different mindsets and attitudes that now complement each other and give a strong impetus for the future.

Finally, I would like to stress one more guiding value: our strong commitment towards sustainability and principles of environmental, social and governance practices.

From increasing our environmental performance to promoting social responsibility, we initiated the first phase of the three-year ESG plan of our Group, with direct involvement of the Board of Directors and active participation of our Senior Leadership Team. A commitment interpreting the aspiration of each employee, partner and stakeholder for a sustainable and fair future.

It is in the very nature of our business to take care of people and communities and the same applies to our inclination to promote passion for science, especially among young generations. This commitment is expressed in the Mad for Science competition, the main project of the Fondazione Diasorin that has reached its 7th edition. The competition, which aims to engage high school students in the life sciences and support hands-on learning, rewards winning schools with the implementation of a school laboratory where performing exciting and engaging experiments.

To conclude, let me say, as Chairman but also as Shareholder, that 2023 was the year in which we successfully completed a challenging long-term process of company consolidation.

Today, more than ever, the Diasorin Group is contemporary, strong, competitive, ready and able to grow with enthusiasm and capable of addressing and facing future challenges.

The Chairman

Michele Denegri

Report on Operations

DIASORIN WORLD

1. Board of Directors & Control Bodies

Board of Directors (appointed on April 29, 2022)

Chairman	Michele Denegri
Deputy Chairman	Giancarlo Boschetti
Chief Executive Officer	Carlo Rosa (1)
Directors	Chen Menachem Even
	Stefano Altara
	Luca Melindo
	Diego Pistone
	Fiorella Altruda (2)
	André Michel Ballester (2)(3)
	Franco Moscetti
	Francesca Pasinelli (2)
	Roberta Somati (2)
	Monica Tardivo (2)
	Tullia Todros (2)
	Giovanna Pacchiana Parravicini (2)

Board of Statutory Auditors

Chairman	Monica Mannino
Statutory Auditors	Ottavia Alfano
	Matteo Michele Sutera
Alternates	Romina Guglielmetti
	Cristian Tundo

Independent Auditors	PricewaterhouseCoopers S.p.A.

Committees

Control, Risk and Sustainability Committee	André Michel Ballester (2) (Chairman)
	Franco Moscetti
	Roberta Somati (2)
Remuneration and Nominating Committee	Roberta Somati (2)
	Giancarlo Boschetti
	Giovanna Pacchiana Parravicini (2)
Committee for Related-Party Transactions	Roberta Somati (2)
	André Michel Ballester (2)
	Giovanna Pacchiana Parravicini (2)

General Manager
Independent Director
Lead Independent Director

2. DiaSorin worldwide

Diasorin worldwide

Italian company listed in the FTSE MIB index

International

Direct presence in 27 countries and through distributors in 75 countries

3233 employees

Innovation

407 people dedicated to Research and Development of innovative solutions

NORTH AMERICA

USA
Austin
Chicago
Cypress
Madison
Seattle
Stillwater

Canada
Toronto

EUROPE

Italy
Saluggia
Bresso
Gerenzano

Germany
Dietzenbach

UK
Dartford

ASIA

China
Shanghai

35 companies

4 branches

10 production facilities

9 R&D centres worldwide

LEGENDA

- Direct presence
- Countries served through distributors
- R&D Centres and Production facilities
- Diasorin development centres
- Diasorin production centres

3. Group History

Our story is based on the technologies and platforms we have developed over the last 20 years and leveraging on a cutting-edge specialty menu, we provide swift and accurate diagnoses that can help clinicians decide the right treatments for patients.

With a distinctive managerial character and a vision capable of designing future markets and opportunities in the present, we strategically interpret the evolution of the diagnostic world, remaining faithful to our mission as the “Diagnostic Specialist.”

Until 2010 – THE CLIA MARKET

The focus on immunodiagnostics has characterized the company since its origins, but in 2000 a business strategy was developed to raise the company's profile in comparison with the major players in the market. Over a decade, from 2000 to 2010, we developed our vocation and focused on specialty and niche products where innovation was key.

This journey was taken in parallel with a significant technological step: in the immunodiagnostics market, modern CLIA technology replaces the older RIA and ELISA. In this context, DiaSorin acquired the rights to use the LIAISON® platform, which can read the extensive test menu developed over the years.

Within a decade, we became able to offer the widest CLIA specialty test menu on the market, on fully automated platforms.

From 2010 to 2019 – STRATEGIC PARTNERSHIPS

The strategic choices made over the previous decade ensured us constant and continuous growth in various areas: we improved our range of tests and production technologies, acquired new types of customers, entered new market segments and strengthened our global commercial presence. With such a dynamic and specialized profile, we have become a strategic partner for some of the major players in diagnostics worldwide, such as Roche, Beckman Coulter, Meridian Bioscience and QIAGEN. In particular, we entered into a partnership with the latter to develop an innovative solution to screen for latent tuberculosis, one of the most common infectious diseases in the world.

With the acquisition of the US company Focus Diagnostics, now DiaSorin Molecular, we entered the molecular diagnostics sector, a crucial step in light of the 2020 events relating to the pandemic.

From 2020 to 2023 – NEW MARKETS AND NEW CONTACTS

The COVID-19 pandemic, which had a major impact on our business in 2020, resulted in significant changes in the world of diagnostics. It led to a strategic reflection on our potential for growth towards new markets and new types of customers.

Firstly, COVID accelerated the process of the decentralization of diagnostics, highlighting the need to provide patients with diagnostic results increasingly rapidly, by means of simple and cost-effective solutions. With this in mind, we signed an exclusive license agreement with the British company TTP for the creation of a Point-of-Care (POC) molecular solution, i.e. in close proximity to the patient, on which to use our diagnostic solutions. In addition, with the acquisition of Luminex, we expanded our offer in the field of molecular diagnostics, equipping it with multiplex technology (capable of analysing, in a single diagnostic cycle, multiple parameters starting from a single biological sample) and entered the Life Sciences sector, an area that is laying the foundations for major new collaborations and business opportunities.

Today we confirm our growth in three technological areas: immunodiagnostics, molecular diagnostics and Life Sciences.

Immunodiagnostics has always been the driving force of our growth. All over the world, thousands of customers rely on our LIAISON® analysers family and on a unique test menu comprising specialty and routine diagnostic tests.

Our molecular diagnostic offer combines low-single plex and multiplex platforms with an increasingly extensive and distinctive menu.

The Life Science business leverage the xMAP® technology through which DiaSorin provides its platforms and technological solution, helping companies operating in this sector develop their diagnostic and pharmaceutical products.

1968

Foundation of SORIN, center for the production of nuclear energy in Saluggia (Vercelli province), by a joint venture between FIAT and Montecatini.

The first European in vitro diagnostic center came to be.

1997

Diasorin, the diagnostic division of the SORIN group, is sold to the multinational **American Standard International.**

2000

Diasorin returns to Italian hands through a **Management Buyout operation.**

2007

On July 19, 2007, **trading in Diasorin shares opened on the Italian Stock Exchange.**

2010

Diasorin continues to **grow both in-house and beyond,** by expanding worldwide and **investing in technology and product innovation.**

Numerous partnerships have been signed with the major players in the world of diagnostics (Roche, Beckman Coulter, and Meridian Bioscience).

2016

Diasorin enters the **molecular diagnostics** sector through the acquisition of the US company Focus Diagnostics, today **Diasorin Molecular,** providing the Group with further expertise and excellence.

2018

Diasorin joins the FTSE MIB index.

Diasorin signs a partnership with **Qiagen** for the testing of **latent tuberculosis**

Diasorin **acquires the ELISA business of Siemens Healthineers.**

2020

Diasorin launches 5 Covid tests.

Diasorin signs an exclusive license **agreement with TTP** for the **development of a Point-of-Care (POC) molecular solution.**

2021

Diasorin **acquires** the US company **Luminex Corporation for $1.8 billion,** acquiring **multiplex molecular diagnostics technology** and **Licensed Technologies.**

Diasorin launches the **Lyme test** in **partnership with QIAGEN** and **the MeMed BV® test in partnership with MeMed.**

2022

Diasorin continues its collaboration with BARDA to support the clinical validation and FDA 510(k) authorization of **LIAISON® NES.**

Diasorin and **B.R.A.H.M.S.** collaborate on MR pro-ADM, a new immunodiagnostic solution for emergency departments to improve patient care.

2023

Diasorin sells all activities related to the **Flow Cytometry & Imaging (FCI)** business unit to Cytek® Biosciences.

Diasorin

4. The DiaSorin Group

5. Our role as the Diagnostics Specialist

As a leading company in the laboratory diagnostics and a major player in the Life Science field and with a special focus on the needs of doctors and patients, we develop cutting-edge solutions to meet the constant evolution of diagnostics.

Research and Development are our distinctive feature and we continue to invest in projects, resources and people. Over the last 20 years this vocation for innovation inspired us to be the first to launch on the market cutting-edge solutions addressed to the in vitro diagnostics and Life Science field.

We are aware of the market evolutions and diagnostics trends and therefore we focus our activity on the development of increasingly technological and market-leading platforms. In the immunodiagnostics field we are working on the development of the LIASON® XXL, while in the molecular diagnostics field we are working on LIAISON® PLEX and LIAISON® NES projects. As regards the Licensed Technologies field we are working to expand the Intelliflex installed base that has been recently launched on the market.

Thanks to our extensive installed base designed for smaller to larger and more consolidated laboratories, the broad specialty menu along with our ability to quickly develop cutting-edge solutions enabled us to develop strategic partnerships, like the one with QIAGEN, for the detection of infections from latent tuberculosis and Lyme disease and with MeMed, for the differentiation between bacterial and viral infections.

Our business model starts from the healthcare needs and turn them, through research, into diagnostic answers and solutions. To ensure that this model continues to grow and produce value innovation is key: scientific, technological, resources and market innovation. To this end, it is crucial and strategic attracting and integrating new talents and skills within the company to continue innovating and being an excellence in our business.

Diagnosis is the first step to determine the health status of each person: for this reason, our diagnostic solutions can make the difference by providing timely and reliable answers to increasingly challenging clinical questions.

People's wellbeing and health are at the core of our business, our way of being sustainable that is part of our actions and strategies. Through projects and initiatives in line with our values and business culture we are committed to disseminating scientific knowledge, promoting talents and inclusiveness, adopting policies that are respectful of our planet, improving the wellbeing of the communities in which we operate.

Sustainability is paired with our strong dedication to consolidate and extend our business as we are aware of the strong value chain that our business generates on employees, suppliers, targets and communities.

From needs to our solutions

Laboratory Diagnostics

The doctor prescribes **DIAGNOSTIC TESTS**

The patient has **SAMPLES** taken in a healthcare facility or analysis laboratory

The samples are univocally classified, labelled and **ANALYZED IN A LABORATORY**

In the laboratory, the samples are processed by **SPECIALIZED EQUIPMENT** that provides the diagnostic responses required on the basis of the reaction between the samples and the **DIAGNOSTIC TEST REAGENTS**

* The outcome of the tests performed by the patient will allow the doctor to take the most correct therapeutic path

Point of Care Diagnostics*

A patient goes into a **PHARMACY** to monitor a parameter or identify a pathology

A healthcare operator **TAKES A SAMPLE AND PROCESSES THE TEST**

THE PLATFORM DELIVERS THE RESULT to the patient in digital or paper format very quickly

* in progress

Licensed Technologies

Healthcare sector clients need to **DEVELOP A NEW PRODUCT** (drug, test, vaccine, ecc.)

Diasorin provides the **PLATFORM FOR RESEARCH AND THE TECHNOLOGY**

The client initiates the **DEVELOPMENT AND RESEARCH PROCESS**

FINISHED PRODUCT LAUNCH

6. Immunodiagnostics

In immunodiagnostics we detect antibodies and antigens through platforms and tests based on CLIA technology, which is the most reliable and fastest technology capable of fully automating the diagnostic procedure, and we provide laboratories with the broadest test menu.

7. Molecular diagnostics

We are in the molecular diagnostics market with single/low plex and multiplex solutions, along with a test menu for the DNA/RNA amplification of specific infectious agents (virus, bacteria, etc.), so that laboratories can identify their presence in patients' biological samples even in small quantities.

8. Licensed Technologies

In the Licensed Technologies field, our platforms feature the xMAP® technology that can run, through the use of microspheres, a broad range of multiplex tests and meet the different customers' needs. Specifically, our technology is used by the following types of customers:

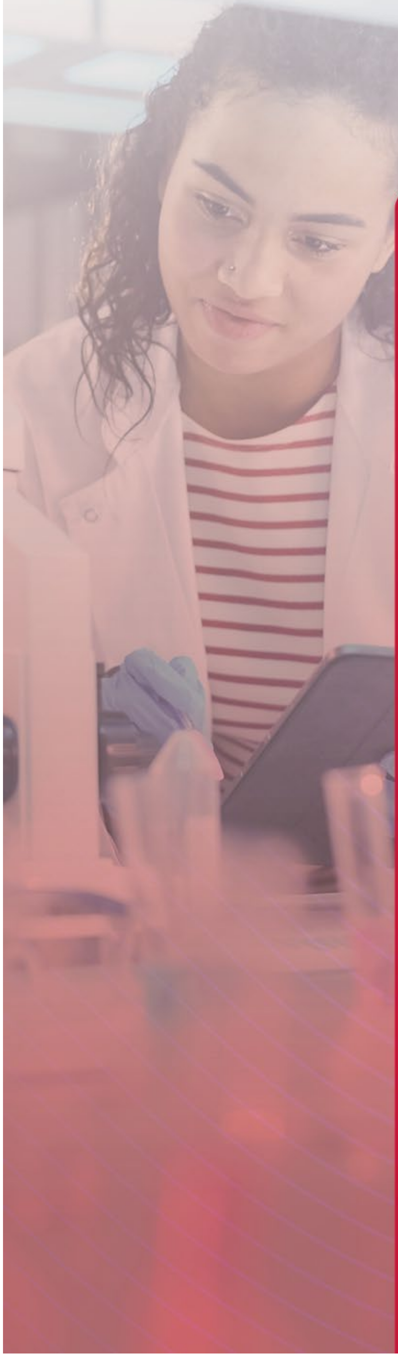
- In vitro diagnostics companies that purchase our platforms and microspheres to design proprietary tests that will be launched on the diagnostic market;
- Life Science companies that use our offer to develop tests for research purposes;
- Research and academic world.

The first two types of customers account for 75% of our business and are the "core" of our offer, as products developed using our technological solutions generate royalties on sales.

Until February 2023, the Licensed Technologies business included the flow cytometry technology, used by laboratories to detect, identify and count specific cells, and identify particular components within the cells.

On February 28, 2023, we sold to Cytek Biosciences Inc. all the assets related to this Business Unit, consistently with the strategic priorities communicated to investors during the Investor Day held in December 2021.

Our Licensed Technologies Systems



Licensed Technologies Group

MAIN APPLICATIONS

- Allergy Testing
- Alzheimer
- Autoimmune Disease
- Biodefense/ Environmental
- Cancer Markers
- Cardiac Markers
- Cellular Signaling
- Cytokines, Chemokines and Growth Factors
- Endocrine
- Gene Expression Profiling
- Genotyping
- HLA Testing
- Immunogenicity
- Infectious Disease
- Isotyping
- Matrix Metalloproteinase
- Metabolic Markers
- Neurobiology/Brain and Nervous System
- Markers
- Plant & Food Safety
- Sepsis Markers
- Transcription Factors/Nuclear Receptors
- Toxicology
- Vaccine Testing

LUMINEX® 100/200

FLEXMAP 3D®

MAGPIX®

xMAP INTELLIFLEX®

9. Research and Development as a distinctive feature

The diagnostic world is rapidly evolving in light of new scientific knowledge and new therapeutic approaches. In terms of health services, the Value Based Care approach aims to enhance prevention, optimize treatments and reduce hospital access. Diagnostics plays a key role in this approach as an accurate and rapid diagnosis improves treatment quality and effectiveness and reduces dispersion of resources.

To face these challenges, we need to bring our innovative potential into play and invest resources and talent for the development of solutions capable of interpreting new trends and entering new markets.

Our growth has always been based on the consolidated ability to generate rapid and continuous innovation, meeting the laboratories' needs but also introducing new diagnostic tools that enable clinicians to make the most correct decisions in the treatment of patients.

Thanks to over 400 researchers, mainly based in Italy and in the United States, and to our major investments in research and development, we respond to the evolution of diagnostics. This is our hallmark: bringing cutting-edge solutions and specialty tests to laboratories all over the world every year, but also the different and numerous applications in the clinic and research, consolidating every day our positioning as the Diagnostic Specialist.

Costs and investments in research and development

Consistent with the above, in 2023 the Group's research and development costs were € 130,287 thousand.

(in € thousands)	**2023**	**2022**
Research and development costs that were not capitalized	69,090	78,702
Annual amortization of capitalized costs	21,857	18,202
Total research and development costs charged to income	**90,947**	**96,904**
Research and development costs that were not capitalized	69,090	78,702
Development costs capitalized during the year	61,197	41,863
Total research and development costs	**130,287**	**120,565**

In 2023, research costs relating to the Group's Parent Company and amounting to € 4,003 thousand were charged directly to the income statement.

10. Culture as a driver for business transformation

The business in which we operate is a rapidly evolving sector. For this reason, we need to constantly develop cutting-edge solutions. Over the last 3 years, we worked with passion and determination to integrate the Luminex business into the Group and establish a single company. Through the acquisition, solutions in the area of molecular diagnostics and life science have been added to the wide range of diagnostic tests in the area of immunodiagnostics, which is Diasorin's historical heritage.

Diasorin 3.0 is an American-European company operating on all continents with a greater degree of roundness than in the past and with 3,233 Group employees at the end of 2023.

To this end, activities for fully implementing the integration of business, organizational and cultural projects continued in 2023. The HR team and Management continued the path of cultural integration with passion, steadfastness and determination, also through the reinterpretation of the Company's values. This path confirms Diasorin's DNA and has led to the definition of Diasorin Leading Values, which stand out for the following characteristics:

- RESULTS DRIVEN: unwavering commitment to achieve results;
- ACCOUNTABILITY: taking responsibility and acting with integrity;
- INNOVATION (CRITICAL THINKING): transforming new ideas into new services and solutions that bring value for patients and customers.
- OPERATIONAL EXCELLENCE: striving for excellence and long-term success;
- CUSTOMER FOCUS: considering customers as our top priority;
- CULTIVATING A POSITIVE CULTURE (CARE): building a «We-Company» through a positive, inclusive and uplifting workplace.

In 2023, we implemented the 2023-2025 ESG Plan, approved by the Company's Board of Directors in December 2022, which formalizes the Group's sustainability strategy.

With regard to Social issues, we based our policy on the principle of meritocracy, an element that represents the threads of continuity between the Company's past, present and future.

We aim to provide equal opportunities to all employees and reward them appropriately with respect to their contribution in achieving the company's results, without any discrimination.

On this basis, we have defined the Merit Principles, which describe the strategy of managing and caring for people inspired by Diasorin's DNA.

Merit has been expressed in three fundamental principles:

- Attracting, engaging and retaining key strategic resources as well as aligning the actions of management and all employees with the goal of creating value for our stakeholders;
- Rewarding employee performance and commitment based on individual contribution to achieving business results by promoting the creation of effective teams;
- Ensuring that each employee has equal opportunity to improve their skills and grow by fostering diversity and inclusion.

The Merit Principles were defined to support Diasorin culture and diversity and inclusion with the ultimate goal of valuing the unique talents of all current and future employees without discriminations.

11. Our strategy for the future

Our strategy by technology

Immunodiagnostics

Business growth will be driven by our constant commitment to develop new tests, with solutions aimed at the rarest and most specialized pathologies which have always been our main distinctive feature.

Further leverage will be the development and marketing of new solutions through partnership agreements with leading diagnostic companies, that will enable us to create synergies among different techno-scientific skills and provide innovative - often unique - solutions to laboratories. An example is the MeMed BV test for the differentiation between bacterial from viral infection since often both can cause similar symptoms. This test was developed by the Israeli company MeMed and licensed to DiaSorin and is based on the definition of a diagnostic/clinical algorithm combining and interpreting the result of three protein markers of the immune response. It was obtained following studies and validation conducted on thousands of patients over the last ten years.

Another innovative diagnostic solution is the LymeDetect® test for the early diagnosis of Lyme disease caused by tick bites transmitting the bacterium Borrellia to humans. LymeDetect® is an in vitro assay designed for the LIAISON® platforms. The assay exploits the combination of 3 markers of the immune response, by combining 2 conventional serology tests for determination of specific IgG and IgM antibodies to Borrelia and a test based on the cell-mediated immune response featuring the QuantiFERON technology. Developed by QIAGEN, the test allows to identify patients who in the first 3-4 weeks after the tick bite have been infected with the Borrellia bacterium, with greater sensitivity than current methods, thus allowing patients to benefit promptly from a specific antibiotic treatment to prevent side effects of the disease, such as disabling neuropathies.

Furthermore, to meet the needs of larger laboratories, we are developing the new LIAISON® XXL platform that will complement the existing LIAISON® XL and LIAISON® XS analysers designed for medium-large and medium-small size laboratories, respectively.

Molecular Diagnostics

The offer in this market is characterized by Single-Low Plex technology that enables to detect up to four different pathogens on a single sample for each testing cycle, and by Multiplex technology that enables to detect, throughout a single test panel, a wide range of pathogens that may affect the human body.

As for Single-Low plex technology, our growth strategy involves the consolidation of the commercial offer and the installed base on the new and more advanced LIAISON® MDX Plus platform, as an alternative to the well-known LIAISON® MDX e ARIES® platforms, the latter currently being dismantling, used in thousands of laboratories, mainly in Europe and in the North America market.

In the field of multiplex technology, business growth leverages the launch of the fully-automated LIAISON® Plex platform, featuring the so-called flex technology: a pay-per-use solution through which laboratories will have access to the potential of multiplex solutions, in a flexible and cost-effective manner, by directly correlating the price paid with the number of results reported.

Growth in molecular diagnostics business will be driven also by Point-of-Care solutions addressed to decentralized laboratories, medical centres and pharmacies, on the back of the launch of the LIAISON® NES platform, featuring high-reliable Low plex tests and providing results in extremely short times (<15 minutes) and at reduced costs.

Licensed Technologies

Our strategy in this business area is based on the successful use of xMAP® microspheres technology and aims at strengthening our current partnerships worldwide through strategic partnerships, geographic expansion, new technologies and the ongoing roll out of our latest xMAP® INTELLIFLEX® system.

Through the geographic expansion with our current partners, we will bring the value of the xMAP® technology into new markets, fuelling the company growth with consolidated and proven technologies thanks to our unique partnership model.
Continuous growth will also be driven by the successful recent launch of our unique xMAP® INTELLIFLEX®, that enables the measurement of 2 parameters per analyte for up to 500 analytes detected in each sample.

Our sustainability strategy

It is in the very nature of our business to strive for well-being. Working in diagnostics means basing all our actions on health, quality of life and the scientific approach in and out of each production site, in the communities where we operate, in schools and treatment facilities. Every day we are committed to the idea of a fair, healthy and sustainable future that inspires products and services, actions and projects.

Our desire to "build wellbeing" translates into activities, projects and initiatives that promote health, scientific knowledge, concern for local communities, and talent in all its forms.

Our main projects are:

- **Mad for Science**, the competition managed by Fondazione Diasorin that promotes passion for science in high schools throughout Italy;
- **Mad for Science for Teachers**, an initiative managed by Fondazione Diasorin and dedicated to the training of teachers from the Mad for Science network;
- **Project for Hospitals & Children - Pinocchio Project**, an initiative to make children's hospital experience easier;
- **FISIP Talent Project** (**Italian Paralympic Winter Sports Federation**), to support promising Italian athletes on the path to Milano-Cortina 2026 Winter Paralympic Games;
- **Giovanni Nasi & Diasorin International Cup**, international competition of the EDGA circuit (European Disabled Golfers Association. The competition is valid for the world ranking and is approved by Italian Golf Federation and sponsored by the Italian Paralympic Committee;
- **Italian Sitting Volley All Star Game**, the first and only sitting volleyball event for players with disabilities only.

Starting from 2023, our approach to sustainability took shape in the 2023-2025 ESG Plan approved in December 2022 by the Board of Directors and outlining projects and objectives that are consistent with our corporate business and identity relating to environmental (E), social (S) and governance (G) aspects.

Additional information is provided in the Consolidated Non-Financial Statement

12. Financial communication and Investor Relations

2023 Calendar

FEB.

LONDON
European MedTech & Services Conference
Morgan Stanley

MAR.

PARIS - VIRTUAL
MedTech Conference
Exane BNPP

PARIS
Banca IMI

LONDON
Banca Akros

PORTUGAL - VIRTUAL
CaixaBI & Banca Akros

APR.

NEW YORK, CHICAGO
Mediobanca

MILAN
Banca Akros

ZURICH, GENEVA
Equita SIM

MAY

LONDON
Diagnostics Conference
Berenberg

MILAN
IIC Conference
Unicredit KECH

JUNE

MILAN
CEO Conference
Mediobanca

PARIS
Italian Champions
Equita SIM

BORDEAUX
European Healthcare Summit
Stifel

SEPT.

NEW YORK
Annual Global Healthcare Conference
Morgan Stanley

VIRTUAL
Back to School
Jefferies

NOV.

LONDON
Healthcare Conference
Jefferies

VIRTUAL
Digital Diagnostics Day
KECH

PARIS
ESN Conference
Banca Akros

● Conference
● Roadshow

In 2023 we continued to interact and communicate with Shareholders, Institutional Investors, Financial Analysts and the Italian and International press in order to provide complete and updated information about our objectives and the course of our business.

Our Investor Relations team met more than 350 analysts and investors and organized meetings and participated in industry conferences and organizes roadshows that visit the main financial centres to provide a more in-depth understanding of the company business.

Last but not least, on December 15, 2023, we held a new Investor Day to present the new strategic and financial plan of Diasorin, during which the company announced the main business objectives to 2027.

Financial communication continues to be an essential interaction tool between DiaSorin and analysts and investors, in order to provide an overall in-depth understanding of business dynamics and activities.

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

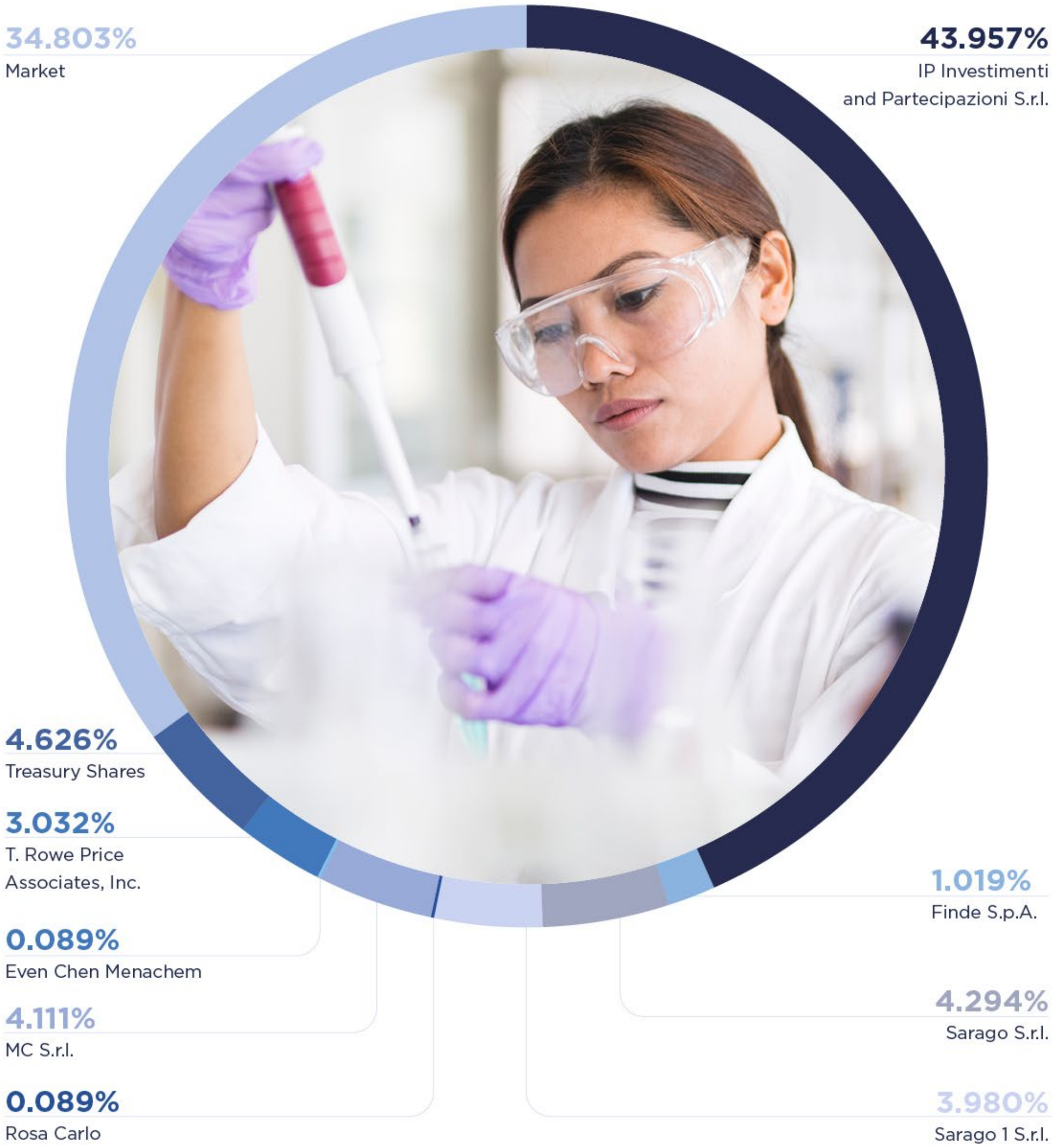
We are aware that a constant dialogue with the Company and sharing information on the web underpin a successful communication. Contact information with the offices responsible for communications and investor relations is provided below.

Riccardo Fava
Corporate Vice President Communication, ESG & Investor Relations
riccardo.fava@diasorin.com

Eugenia Ragazzo
Corporate Investor Relations & ESG Analyst
eugenia.ragazzo@diasorin.com

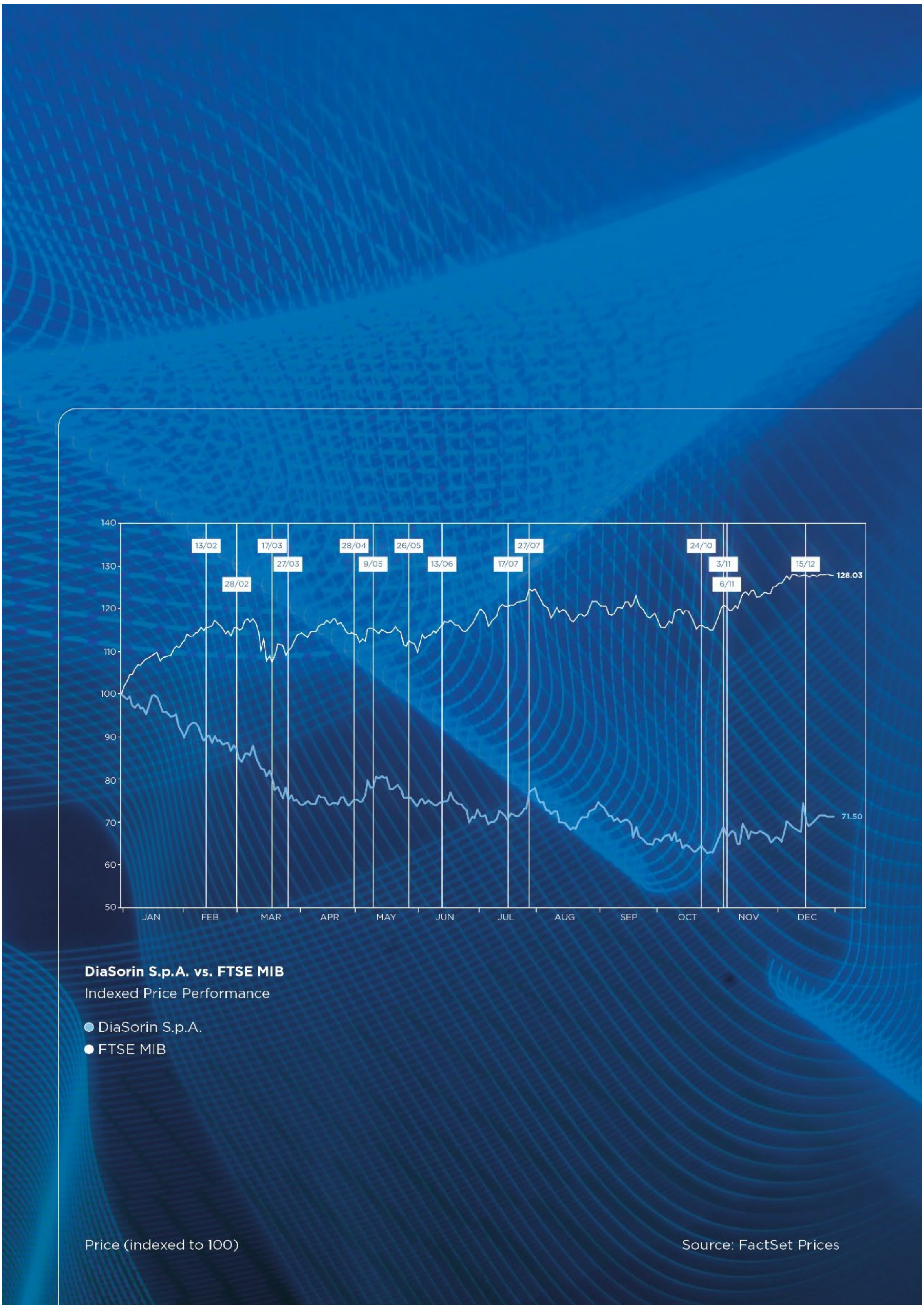
Website: www.diasorin.com

12.1 Stock ownership



12.2 Performance of the Diasorin stock in 2023

In 2023, the Diasorin stock was *-28.5%*, vis-à-vis *+28.0%* of the FTSE MIB reference stock market index.



13/02	Cytek Biosciences acquisisce le attività Flow Cytometry & Imaging di DiaSorin
28/02	DiaSorin completa la vendita delle proprie attività di Flow Cytometry & Imaging a Cytek® Biosciences
17/03*	DiaSorin riceve l'autorizzazione 510k per il test COVID Flu
27/03*	**Risultati al 31.12.2022**
28/04	Assemblea degli azionisti 2023
9/05*	**Risultati al 31.03.2023**
26/05	DiaSorin consolida la partnership strategica con MeMed siglando un accordo di distribuzione del test MeMed BV® per il mercato italiano sulla piattaforma Point-of-Need MeMed Key®
13/06	DiaSorin annuncia il lancio del test LIAISON® B·R·A·H·M·S MR-proADM™ in tutti i paesi che accettano la marcatura CE
17/07	DiaSorin annuncia il lancio del test LIAISON® Legionella Urinary Ag in tutti i paesi che accettano la marcatura CE per la diagnosi della legionellosi
27/07*	**Risultati al 30.06.2023**
24/10	DiaSorin svela la sua nuova Corporate identity e lancia il nuovo sito web di Gruppo: www.DiaSorin.com
3/11*	**Risultati al 30.09.2023**
6/11	DiaSorin e Gilead Sciences collaborano per lo sviluppo di un test diagnostico completamente automatizzato su LIAISON XL® per la diagnosi dell'Epatite Virale Delta per il mercato statunitense
15/12*	2023 Investor Day

* price sensitive

13. Focus on the latest solutions of 2023

Immunodiagnostics

Business growth will be driven by our constant commitment to the development of new specialty tests representing our distinctive feature. Further leverage will be the development and marketing of new solutions that are developed internally or through partnership agreements with leading diagnostic companies which will enable us to create synergies between different techno-scientific skills and offer cutting-solutions, often unique, to the world of laboratories. These include:

- the MeMed BV® test for the differentiation between bacterial from viral infection since often both can cause similar symptoms;
- the LymeDetect® test developed for the early diagnosis of Lyme disease;
- The Calprotectin 3.0 test, a project still under development, to discriminate inflammation of gastrointestinal tract by identifying chronic diseases that require a colonoscopy exam and avoiding it where not necessary.

Furthermore, to meet the needs of larger laboratories, we are developing the new LIAISON® XXL platform that will complement the existing LIAISON® XL and LIAISON® XS analysers designed for medium-large and medium-small size laboratories, respectively.

Business highlights in 2023 are provided below:

- Launch of the LIAISON® B·R·A·H·M·S MR-proADM™ test in all countries accepting CE mark to improve patient management by providing the assessment of disease severity;
- launch of the LIAISON® Legionella Urinary Ag assay in all countries accepting the CE mark for the diagnosis of legionnaires' disease, a severe form of pneumonia caused by Legionella;
- collaboration with Gilead Sciences to develop a fully automated diagnostic assay for Hepatitis Delta Virus on LIAISON XL® for the U.S. Market;
- consolidation of the strategic partnership with MeMed through an agreement to distribute the MeMed BV® test for the Italian market on the MeMed Key® point-of-need platform;
- submission of LIAISON® LymeDetect® to the U.S. Food and Drug Administration.

Molecular Diagnostics

The offer in this market is characterized by Single-Low plex technology, which allows to detect up to four different pathogens on a single sample for each testing cycle, and by Multiplex technology which allows to detect, throughout a single test panel, a high number of viral and bacterial pathogens.

As for Single-Low plex technology, our growth strategy involves the consolidation of the commercial offer and the installed base on the new and more advanced LIAISON® MDX Plus platform, which is currently under development, as an alternative to the well-known LIAISON® MDX e ARIES® platforms, the latter is currently being dismantling.

In the field of multiplex technology, business growth leverages the launch of the fully-automated LIAISON® Plex platform, featuring the so-called flex technology: a pay-per-use solution that will enable laboratories to have access to multiplex solutions, in a flexible and cost-effective manner, by directly correlating the price paid with the number of results reported.

Growth in molecular diagnostics business will be driven by Point-of-Care solutions addressed to decentralized laboratories, medical centres and, in the future, pharmacies, on the back of the launch of the LIAISON® NES platform, featuring high-reliable Low plex tests and providing test results in extremely short times (<15 minutes) and at reduced costs.

Business highlights in 2023 are provided below:

- U.S. Food and Drug Administration 510(k) clearance of the Simplexa™ COVID-19 Flu A/B assay to detect Flu A, Flu B and SARS-CoV-2 viruses;

- Initiated the project to divest the ARIES molecular diagnostic business line and the consolidation of the related customer base on the Diasorin LIAISON® MDX platform;
- U.S. Food and Drug Administration 510(k) clearance of the LIAISON PLEX®, the new multiplexing platform of Diasorin, and the LIAISON PLEX® Respiratory Flex Assay;
- Submission of LIAISON PLEX® Yeast Blood Culture Assay, the second multiplexing panel for the LIAISON PLEX®, to the U.S. FDA.

Licensed Technologies

Our strategy in this business area is based on the successful use of xMAP® microspheres technology and aims at strengthening our current partnerships, entering new markets and strategic partnerships and commercially expanding our latest xMAP® INTELLIFLEX® platform that enables the measurement of 2 parameters per analyte for up to 500 analytes detected in each sample.

Business highlights in 2023 are provided below:

- sale, in February 2023, of the assets related to the Flow Cytometry & Imaging business unit to Cytek® Biosciences – an operation in line with the strategic priorities communicate to the market following the Luminex acquisition.

Report on operations Overview of the results

1. CONSOLIDATED FINANCIAL HIGHLIGHTS

Income statement *(in € thousands)*	**12/31/2023**	**12/31/2022**
Net revenues	1,148,210	1,361,138
Gross profit	741,186	900,613
Adjusted (1) Gross profit	748,602	903,805
EBITDA (2)	353,117	497,286
Adjusted (1) EBITDA	374,565	514,162
Operating result (EBIT)	216,261	351,260
Adjusted (1) operating result (EBIT)	283,091	417,021
Net profit for the period	158,508	240,110
Adjusted (1) Net profit	224,002	318,654

Statement of financial position *(in € thousands)*	**12/31/2023**	**12/31/2022**
Capital invested in non-current assets	2,215,855	2,301,718
Net invested capital	2,314,341	2,426,361
Net financial debt	(776,373)	(906,611)
Shareholders' equity	1,537,968	1,519,750

Statement of cash flows *(in € thousands)*	**12/31/2023**	**12/31/2022**
Net cash flow for the period	38,538	(161,244)
Free cash flow(3)	209,410	315,702
Capital expenditures	113,240	113,686
Number of employees	3,233	3,386

2. FINANCIAL HIGHLIGHTS OF THE GROUP'S PARENT COMPANY

Income statement *(in € thousands)*	**2023**	**2022**
Net revenues	24,806	260,362
Gross profit	24,806	122,370
EBITDA (1)	(34,069)	63,587
Operating result (EBIT)	(36,212)	49,629
Net profit for the period	28,279	37,786
Statement of financial position *(in € thousands)*	**12/31/2023**	**12/31/2022**
Capital invested in non-current assets	1,021,775	1,049,561
Net invested capital	1,051,038	1,068,766
Net financial debt	(613,875)	(602,123)
Shareholders' equity	458,936	497,619
Statement of cash flows *(in € thousands)*	**2023**	**2022**
Net cash flow for the period*	15,569	(129,641)
Capital expenditures	2,259	15,531
Number of employees	132	132

3. OVERVIEW OF THE GROUP'S OPERATING PERFORMANCE IN 2023 AND COMPARISON WITH 2022

Foreword

The 2023 consolidated financial statements have been prepared in compliance with the International Accounting Standards (IFRS) issued by the International Accounting Standards Board ("IASB") and approved by the European Union and are consistent with the provisions issued in implementation of Art. 9 of Legislative Decree No. 38/2005.

This annual report presents and comments on certain financial indicators that are not identified in the IFRSs. These indicators, which are described below, are used to comment on the Group's business performance in paragraphs "Consolidated financial highlights" and "Income Statement in 2022 and comparison with 2021", in compliance with the requirements of Consob communication of 28 July 2006 (DEM 6064293), as subsequently amended and supplemented (Consob communication 0092543 of 3 December 2015, which incorporates the ESMA Guidelines 2015/1415) and ESMA Guidelines 32-382-1138 of 4 March 2021.

The alternative performance indicators listed below should be used to supplement the information required by IFRS to help readers of the report gain a more comprehensive understanding of the Group's economic, financial and operating position, net of one-off elements for the Luminex acquisition and integration, the amortization deriving from the Purchase Price Allocation of Luminex, the borrowing costs related to the financing of the transaction, charges deriving from the remeasurement (in accordance with IFRS5) of the Flow Cytometry assets sold to Cytek, and their tax impact.

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

The following table provides the alternative performance indicators at December 31, 2023:

(in € millions)	Gross margin	EBITDA	Operating result (EBIT)	Net profit
IFRS Financial Statements Measures	**741,186**	**353,117**	**216,261**	**158,508**
Adjustments				
Reversal of the effects of the Fair Value	1,630	1,630	1,630	1,630
One-off costs related to the integration and restructuring of Luminex	516	8,389	8,389	8,389
Depreciation of Luminex intangibles identified in the Purchase Price Allocation	-	-	38,802	38,802
Financial charges relating to the debt instruments and to the convertible bond issued to finance the acquisition of Luminex, net of hedging effects	-	-	-	20,408
Charges from the divestement of the Flow Cytometry business	-	4,404	4,404	4,404
Charges from the dismantling of ARIES business	6,900	8,655	15,235	15,235
Total adjustments before tax effect	**7,416**	**21,448**	**66,830**	**87,239**
Fiscal effect on adjustments	-	-	-	(21,744)
Total adjustments	**7,416**	**21,448**	**66,830**	**65,495**
Adjusted Measures	**748,602**	**374,565**	**283,091**	**224,002**

The following table provides the alternative performance indicators at December 31, 2022:

(in € millions)	Gross margin	EBITDA	Operating result (EBIT)	Net profit
IFRS Financial Statements Measures	**900,613**	**497,286**	**351,260**	**240,110**
Adjustments				
Reversal of the effects of the Fair Value measurement of the initial Luminex inventory	3,192	3,192	3,192	3,192
One-off costs related to the integration and restructuring of Luminex	-	13,684	13,684	13,684
Depreciation of Luminex intangibles identified in the Purchase Price Allocation	-	-	39,845	39,845
Financial charges relating to the debt instruments and to the convertible bond issued to finance the acquisition of Luminex, net of hedging effects	-	-	-	22,524
Charges from the divestment of the Flow Cytometry business as required by IFRS 5	-	-	9,039	9,039
Total adjustments before tax effect	**3,192**	**16,876**	**65,761**	**88,284**
Fiscal effect on adjustments				(9,741)
Total adjustments	**3,192**	**16,876**	**65,761**	**78,543**
Adjusted Measures	**903,805**	**514,162**	**417,021**	**318,654**

Macroeconomic scenario and the foreign exchange market

In 2023 inflationary pressures eased compared to the previous year, on the back of the restrictive monetary policies adopted by the main central banks. This trend is expected to continue in 2024, resulting in lower interest rates.

However, international geopolitical instability and inflation still high put downward pressure on global growth, which stood at 3% (source: BofA Global Research). Due to these factors the macroeconomic trend in 2024 remains deeply uncertain.

In the foreign exchange market, the Euro strengthened against the USD and the other main currencies, as highlighted by the average exchange rates in 2023 compared to the previous year.
Of particular note is the performance of the US dollar and the Chinese Yuan, which depreciated by 3% and 8%, respectively, in terms of average annual exchange rates.
The table below provides a comparison of the average and end-of-period exchange rates for the periods under comparison concerning the main currencies used by the Group (Source European Central Bank).

Currency	Average exchange rates			Exchange rates at		
	2023	2022	Change	12/31/2023	12/31/2022	Change
U.S. dollar	1.0813	1.0530	3%	1.1050	1.0666	4%
Brazilian real	5.4010	5.4399	-1%	5.3618	5.6386	-5%
British pound	0.8698	0.8528	2%	0.8691	0.8869	-2%
Swedish kronor	11.4788	10.6296	8%	11.0960	11.1218	0%
Swiss franc	0.9718	1.0047	-3%	0.9260	0.9847	-6%
Czech koruna	24.0043	24.5659	-2%	24.7240	24.1160	3%
Canadian dollar	1.4595	1.3695	7%	1.4642	1.4440	1%
Mexican peso	19.1830	21.1869	-9%	18.7231	20.8560	-10%
Israeli shekel	3.9880	3.5345	13%	3.9993	3.7554	6%
Chinese yuan	7.6600	7.0788	8%	7.8509	7.3582	7%
Australian dollar	1.6288	1.5167	7%	1.6263	1.5693	4%
South African rand	19.9551	17.2086	16%	20.3477	18.0986	12%
Norwegian krone	11.4248	10.1026	13%	11.2405	10.5138	7%
Polish zloty	4.5420	4.6861	-3%	4.3395	4.6808	-7%
Indian Rupee	89.3001	82.6864	8%	91.9045	88.1710	4%
Singapore dollar	1.4523	1.4512	0%	1.4591	1.4300	2%
UAE Dirham	3.9710	3.8673	3%	4.0581	3.9171	4%

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

Income Statement in 2023 and comparison with 2022

(in € thousands)	**12/31/2023**	**As a% of revenues**	**12/31/2022**	**As a% of revenues**
Sales and service revenues	1,148,210	100.0%	1,361,138	100.0%
Cost of sales	(407,024)	35.4%	(460,525)	33.8%
Gross profit	**741,186**	**64.6%**	**900,613**	**66.2%**
Adjusted Gross profit	**748,602**	**65.2%**	**903,805**	**66.4%**
Sales and marketing expenses	(285,887)	24.9%	(292,050)	21.5%
Research and development costs	(90,947)	7.9%	(96,904)	7.1%
General and administrative expenses	(128,524)	11.2%	(122,697)	9.0%
Total operating expenses	**(505,358)**	**44.0%**	**(511,651)**	**37.6%**
Other operating income (expense)	(19,567)	1.7%	(37,702)	2.8%
Operating result (EBIT)	**216,261**	**18.8%**	**351,260**	**25.8%**
Adjusted Operating result (EBIT)	**283,091**	**24.7%**	**417,021**	**30.6%**
Financial income/(expense)	(15,045)	1.3%	(25,320)	1.9%
Profit before taxes	**201,216**	**17.5%**	**325,940**	**23.9%**
Income taxes	(42,708)	3.7%	(85,830)	6.3%
Net profit for the period	**158,508**	**13.8%**	**240,110**	**17.6%**
Adjusted Net profit for the period	**224,002**	**19.5%**	**318,654**	**23.4%**
EBITDA (1)	**353,117**	**30.8%**	**497,286**	**36.5%**
Adjusted EBITDA	**374,565**	**32.6%**	**514,162**	**37.8%**

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

Net revenues

In 2023, Diasorin generated **revenues for € 1,148,210 thousand** (€ 1,361,138 thousand in 2022), down by 15.6% compared to the previous year (-13.9% at CER). The decrease is due to the decline in sales of COVID tests and to the change in the scope of consolidation following the sale of the Flow Cytometry business in February 2023. On a like-for-like basis, revenues decreased by 13.3% (-11.5% at CER) while, net of COVID business, revenues increased by 0.9% (+2.9% at CER). Exchange rate fluctuations compared to 2022 had a negative impact of around € 24 million on revenues, mainly due to the US dollar depreciation.

Ex-COVID immunodiagnostics revenues were € 720,612 thousand and increased by 5.9% (+7.6% at CER), on the back of the upward trend of CLIA specialty tests, only partly offset by the expected decrease in sales of Vitamin D and ELISA panel.

Ex-COVID molecular diagnostics revenues were € 197,357 thousand, down by 10.9% compared to 2022 (-8.4% at CER), due to the negative sale trend of non-respiratory panels (-9.3% or -6.8% at CER), as a result of the expected loss of a major contract for cystic fibrosis testing at a leading U.S. laboratory and of lower sales from the respiratory panels (-14.1% or -11.6% at CER), as a result of a high flu peak in the fourth quarter of 2022.

Licensed technologies revenues were € 171,688 thousand. The decrease of 20.5% versus 2022 (-18.4% at CER) is due to the sale of the Flow Cytometry business in February 2023. On a like-for-like basis, the change is equal to -4.0% (-1.3% at CER). The decline is the net result of the temporary phenomenon of consumables destocking which involved most "Life Science" market participants in relation to some major players who implemented aggressive inventory reduction policies by postponing orders to 2024.

COVID serology and molecular diagnostic tests sales were in line with expectations and equal to € 58,553 thousand, down by € 184,955 thousand versus 2022.

Breakdown of revenues by geography

The following table provides a comparison of revenues in the periods under comparison, broken down by geographic areas

(in € thousands)	**2023**	**2022**	**% Change at current exchange rates**	**% Change at constant exchange rates**
Europe direct	377,628	363,248	4.0%	4.2%
North America direct	518,579	548,952	-5.5%	-2.8%
Rest of the World	193,449	205,429	-5.8%	-3.0%
COVID	58,554	243,509	-76.0%	-75.2%
Total	**1,148,210**	**1,361,138**	**-15.6%**	**-13.9%**

Europe Direct

In 2023, revenues were € 377,628 thousand, up 4.0% (+4.2% at CER) compared to 2022. The growth is driven by positive immunodiagnostic performance (+7.9% at CER).

In particular, revenues from CLIA tests, net of Vitamin D, grew by approx. 13% at CER a on the back of specialty assays. Vitamin D sales decreased by 6% at CER compared to 2022.

The molecular diagnostics business was in line with expectations and registered a negative trend (about -14% at CER), as a result of the unusual pattern of the previous flu season, which registered a very high peak in the fourth quarter of 2022.

North America Direct

In 2023, revenues were € 518,579 thousand, down by 5.5% (-2.8% at CER) compared to 2022. The positive immunodiagnostic business performance (+14,0% at CER) was more than offset by lower revenues from Licensed Technologies business, as a result of the change in the perimeter of consolidation and consumables destocking described above as well as lower sales of molecular tests.

Specifically, the immunodiagnostic business delivered robust CLIA sales, net of Vitamin D, growing by approx.21% at CER, mainly on the back of the successful commercial strategy aimed at increasing penetration in U.S. hospitals segment, along with the expansion of specialty test menu. This upward trend was partly offset by the expected decline in Vitamin D sales.

As a result of the two phenomena described above, the molecular diagnostic business reported a downward trend (-7.5% at CER). In North America, the respiratory panel declined by 13.4%, as a result of the unusual pattern of the previous flu season, which registered a very high peak in the fourth quarter of 2022. The non-respiratory panel declined by 4.8% at CER, as a consequence of the negative performance of cystic fibrosis testing caused by the expected loss of a major contract at a leading U.S. laboratory.

Lastly, revenues from the Licensed Technologies business reported a downward trend (-19.8% or -17.6% at CER) as a result of different perimeter of consolidation (sale of the Flow Cytometry business in February 2023) and consumables “destocking” enacted by some major partners.

Rest of the World

In 2023, revenues were € 193,449 thousand, down by 5.8% (-3.0% at CER) compared to 2022. The performance was impacted by the decline in revenues recorded in the Chinese market, mainly due to policies adopted by government authorities aimed at favouring local producers, which has had a negative impact on all industry players. Net of this negative performance, the performance of the Rest of the World area was substantially in line with 2022.

Breakdown of revenues by technology

(in € thousands)	**2023**	**2022**
Ex-COVID immunodiagnostics	62.7%	50.0%
Ex-COVID molecular diagnostics	17.2%	16.4%
Licensed Technologies	15.0%	15.7%
COVID	5.1%	17.9%
Total	**100%**	**100%**

Operating performance

In 2023, the adjusted gross profit was € 748,602 thousand, down 17.2% as against € 903,805 thousand in 2022, mainly as a result of lower COVID sales; its ratio to revenues increased to 65.2%, from 66.4% in 2022. The change is related mainly to the impact of fixed and semi-variable components of cost on revenues. The period reported a limited impact of inflationary trends due to continued cost reduction and more efficient manufacturing processes. The gross profit was **€ 741,186 thousand**.

Operating expenses, net of amortization deriving from the *Purchase Price Allocation* of Luminex, were € 466,596 thousand, down 1.1% compared to 2022; their ratio to total revenues was equal to 40.6% as against 34.7% in

2022. The change is due to the reduction in the operating leverage following the expected decline in COVID revenues.

Sales and marketing expenses, which amounted to € 247,765 thousand excluding amortization deriving from the Luminex acquisition, decreased by € 5,042 thousand or by 2.0% compared to 2022 (€ 252,808 thousand). This item consists mainly of costs related to the sale force and costs incurred to launch new products, as well as costs of technical support provided to customers. As a result of the effects described above their ratio to total revenues increased to 21.6% in 2023 from 18.6% in 2022.

Research and development costs, equal to € 90.384 thousand net of the Purchase Price Allocation of Luminex decreased by 6.1% compared to 2022 (€ 96,301 thousand); their ratio to total revenues was equal to 7.9% as against 7.1 percentage points in 2022.

Other adjusted operating income amounted to € 890 thousand as against adjusted expenses amounting to € 14,979 thousand in 2022. The change is due to the combined effect of certain non-recurring positive items in 2023 and, above all, certain non-recurring negative items in 2022 such as the provision for risks for the pay-back measure in Italy, costs related to the so-called hive-down project (transfer of operating assets and liabilities to a new Italian company) and lastly certain non-recurring costs relating to employee separation agreements.

In 2023, the main adjusted items include € 7,873 thousand in costs connected to the Luminex integration, € 4,404 thousand in costs arising from the sale of the Flow Cytometry business and € 8,335 thousand connected to dismantling of Aries molecular business.

Adjusted EBITDA amounted to **€ 374,565 thousand**, down by 27.2% compared to 2022 and with an incidence to revenues of 32.6%. In 2023, EBITDA amounted to € 353.117 thousand, down by 29% compared to 2022, with an incidence to revenues declining from 36.5% in 2022 to 30.8% in 2023. The change is due to the combined effect of the elements described above.

Adjusted EBIT amounted to **€ 283,091 thousand,** (€ 417,021 thousand in 2022), down by 32.1% over the previous year and equal to 24.7% of revenues as against 30.6% in 2022. The consolidated operating result (EBIT) in 2023 amounted to € 216,261 thousand, down by 38.4% over 2022, and equal to 18.8% of revenues. The change is due to the combined effect of the elements described above.

Financial income and expense

In 2023, net financial expense amounted to € 15,045 thousand, as against € 25,320 thousand in 2022. The decline is due mainly to lower interest payments owed on the Term Loan and higher interest income accrued on instruments to manage liquidity denominated in US dollars.

Interest expense and other financial charges include:

- € 9,381 thousand in financial charges arising from the application of the amortized cost relating to the convertible bond issued by the Parent Company (in line with the previous year);

- € 11,026 thousand in interest expense and other charges for the bank loan to support the Luminex acquisition (€ 13,142 in 2022);

- € 3,009 thousand related to interest expense on lease recognized under the IFRS 16 accounting standard (€ 2,874 thousand in 2022).

Interest income of € 13,409 thousand (€ 4,441 thousand in 2022) accrued on financial instruments to manage liquidity denominated in U.S. dollars.

Profit before taxes and net profit

2023 ended with a result before taxes of € 201,216 thousand (€ 288,455 thousand net of costs for the Luminex acquisition and those deriving from the PPA), down by 38.2% as against € 325,940 thousand in the previous year, equal to 17.6% of revenues (25.1% net of costs for the Luminex acquisition and integration, costs deriving from the PPA and expenses deriving from the Flow Cytometry sale). The change is due to the combined effect of the elements described above.

Adjusted net profit was **€ 224,002 thousand** in 2023, down by € 94,625 thousand or by 29.7% compared to the previous year, equal to 19.5% of revenues (23.4% in 2022). Net profit was € 158,508 thousand.

Statement of financial position at December 31, 2023

The consolidated statement of financial position at December 31, 2023 is shown below

(in € thousands)	**12/31/2023**	**12/31/2022**
Goodwill and Intangible assets	1,924,970	1,995,063
Property, plant and equipment	256,286	268,448
Other non-current assets	34,599	38,207
Net working capital	368,834	433,993
Other non-current liabilities	(270,349)	(309,350)
Net invested capital	**2,314,341**	**2,426,361**
Net financial debt	**(776,373)**	**(906,611)**
Total shareholders' equity	**1,537,968**	**1,519,750**

At December 31, 2023, non-current assets decreased to € 2,215,855 thousand (€ 2,301,718 thousand at December 31, 2022). The change is due to the conversion in euros of fixed assets denominated in U.S. dollar.

Amortization and depreciation, equal to € 136,883 thousand, more than offset investments amounting to € 108,137 thousand. Investments include the LIAISON PLEX and LIAISON NES projects and the completion of the manufacturing facility in China.

Other non-current liabilities were € 270,349 thousand, decreasing by € 39,001 thousand compared to December 31, 2022. In addition to the exchange rate effect that reduced the amount of deferred taxes recorded by the U.S. companies, the decrease is attributable to the reversal of deferred taxes following the sale of the Flow Cytometry business.

The table that follows shows the net working capital:

(in € thousands)	**12/31/2023**	**12/31/2022**
Trade receivables	198,560	220,035
Ending inventories	315,500	306,503
Trade payables	(100,706)	(104,204)
Other current assets/liabilities	(44,520)	(27,906)
Net assets held for sale	-	39,565
Net working capital	**368,834**	**433,993**

At December 31, 2023, the net working capital was € 368,834 thousand, with a decrease of € 65,159 thousand compared to the previous year.

Trade receivables decreased to € 198,560 thousand compared to December 2022. The decrease is driven by lower COVID sales compared to the previous year.

Inventories were € 315,500 thousand, an increase of € 8,997 thousand (+3%) driven by materials for manufacturing Luminex instruments and reagents for new commercial launches.

Trade payables were € 100,706 thousand at December 31, 2023. No significant changes occurred compared to the previous year.

Other current net liabilities were € 44,520 thousand, increasing by € 16,614 thousand compared to 2022; the change is due to the use of tax receivables accrued in the previous years.

Noteworthy is the impact, equal to € 39,565 thousand, deriving from the sale of the Flow Cytometry business.

At December 31, 2023, the **net financial debt** was **negative by € 776,373 thousand.**

The table that follows shows the consolidated net financial debt:

	(in € thousands)	12/31/2023	12/31/2022	Change
A	Cash on hand	280,314	241,776	38,538
B	Cash equivalents	-	-	-
C	Other current financial assets	98,437	142,409	(43,972)
D	**Cash (A+B+C)**	**378,751**	**384,185**	**(5,434)**
E	Current financial debt (including debt instruments, but excluding the current portion of non-current financial borrowings)	63,346	48,140	15,206
F	Current portion of non-current financial borrowing	21,728	43,238	(21,510)
G	**Current financial debt (E+F)**	**85,074**	**91,378**	**(6,304)**
				-
H	**Net current financial debt (G-D)**	**(293,677)**	**(292,807)**	**(870)**
I	Non-current financial debt (excluding the current portion and debt instruments)	612,253	750,854	(138,601)
J	Debt instruments	457,797	448,565	9,232
K	Trade payables and other non-current borrowings	-	-	-
L	**Non-current financial debt (I+J+K)**	**1,070,049**	**1,199,419**	**(129,370)**
M	**Total financial debt (H+L)**	**776,373**	**906,611**	**(130,238)**

As regards the net financial debt, the following is detailed:

- Repayment of a principal of USD 50,000,000 in January and of USD 125,000,000 in April relating to the “Term Loan”, in addition to € 13,558 thousand in interest expense.
- Use of additional € 5,000 relating to the “Revolving Credit Facility”
- Opening and use of a credit line by the Chinese subsidiary, equal to € 10,000 thousand.
- Use of liquidity held by Diasorin Inc. in Time Deposit instruments for an amount equal to € 98,153 thousand, down from € 142,409 thousand at December 31, 2022.

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

At December 31, 2023, the **consolidated shareholders' equity** was **€ 1,537,968 thousand** (€ 1,519,750 thousand at December 31, 2022) and includes no. 2,588,278 treasury shares, equal to 4.63% of the share capital, for a total value of € 296,797 thousand.

The table below shows a reconciliation of net profit and shareholders' equity of the Group's Parent Company to the corresponding consolidated data at December 31, 2023:

(in € thousands)	**Net profit 2023**	**Shareholders' equity at 12/31/2023**
Amount in the financial statements of the Parent Company DiaSorin S.p.A.	**28,279**	**458,936**
Difference between the carrying amount of equity investments and the value of the underlying shareholders' equity	-	1,095,440
Profits/(Losses) of consolidated companies	181,376	-
Elimination of unrealized intra-Group profits, net of the applicable tax effect	15,221	(16,408)
Elimination of intra-group dividends	(66,368)	-
Amount in the consolidated financial statements	**158,508**	**1,537,968**

Analysis of consolidated cash flows

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

(in € thousands)	**12/31/2023**	**12/31/2022**
Cash and cash equivalents- Opening balance	**241,776**	**403,020**
Net cash from operating activities	311,662	389,341
Cash used for investing activities	(29,102)	(231,952)
Cash used from/(for) financing activities	(244,023)	(318,633)
Change in net cash before investments in financial assets	***38,538***	***(161,244)***
Investments in financial assets	-	-
Change in net cash	***38,538***	***(161,244)***
Cash and cash equivalents – Closing balance	**280,314**	**241,776**

At December 31, 2023, available **liquid assets** held by the Group amounted to **€ 280,314 thousand**, an increase of € 38,538 million compared to December 31, 2022.

In 2023, the cash flow from operating activities was € 311,662 thousand, down by € 77,679 thousand compared to 2022 due to the reduced EBITDA, as described above.

Investing activities absorbed cash for € 29,102 thousand; the increase of € 202,850 compared to 2022 is mainly attributable to the partial divestment of time deposit instruments used by U.S. companies for cash denominated in U.S. dollars. Proceeds from sale of the Flow Cytometry business amounted to € 38,436 thousand.

The **free cash flow** in 2023 was **€ 209,410 thousand**, down by € 106,292 thousand compared to € **315,702** thousand in 2022.

Net cash from financing activities amounted to € 244,023 thousand, as against € 318,633 thousand in 2022. This cash outlay is the result of the Term Loan repayments described above, partly offset by the use of the Revolving Credit Facility. Dividend distribution amounted to € 58,967 thousand (€ 57,052 thousand in 2022),

and the net purchase of treasury shares net of stock options exercise amounted to € 18,534 thousand (€ 159,849 thousand in 2022).
The translation currency effect on cash and cash equivalents was negative by € 8,061 thousand (positive by € 14,410 thousand in 2022).

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

Consistent with Consob Communication No. DEM/6064293 of July 28, 2006, in 2023 the Group did not carry out atypical and/or unusual transactions as provided by the Communication, which defines as atypical and/or unusual transactions those transactions that, because of their significance/materiality, type of counterparty, purpose, method used to determine the transfer price and timing (close to the end of the year), could give rise to doubts with regard to: the accuracy/completeness of the disclosure provided in the financial statements, conflict of interests, safety of the corporate assets and protection of minority shareholders.

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

Risks connected to general economic condition

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

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

This may have an impact on the market where Diasorin operates, despite diagnostics accounts for only a marginal portion of health care spending in the main industrialized countries and its use may help national health services curb costs in terms of treatments and hospitalizations.

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

Risks related to the Group's international presence and expansion

Because of their presence in several countries in Europe and elsewhere in the world, the Company and the Group are exposed to numerous risk factors. The current economic and macro-political situation, which is negatively impacted by Ukraine and Middle East crises, exposes some of these countries to social, economic and political instability, thus jeopardizing growth in such countries. Nevertheless, the Group is not significantly exposed in these markets.

In countries where it does not operate through a subsidiary, the Group uses independent distributors to sell its products. As a rule, these distributors are small or medium-sized companies with limited financial resources, whose risk could be to slow sales growth or increase the risk that a distributor may become insolvent.

Risks related to funding requirements

A prudent cash management strategy includes maintaining sufficient cash or readily available assets and credit lines to meet immediate liquidity needs. Cash flows, funding requirements and liquidity levels are monitored centrally to ensure promptly and effectively the availability of financial resources and invest appropriately any excess liquidity.

In order to meet any financial needs and a credit market characterized by low liquidity, the Company has deemed it appropriate - in the first half of 2023- to adopt a EUR 150 million 3 year committed revolving credit facility, made available by a pool of banks and to be used upon set conditions.

Management believes that the funds and credit lines currently available, when combined with the resources generated by operating and financing activities (including dividends from subsidiaries), will enable the Group to meet its liquidity needs.

Credit risk

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

Risks associated with foreign exchange and interest rate fluctuations

The Group operates in countries and markets where the reporting currency is not the Euro and, consequently, it is exposed to the risk related to fluctuation in foreign exchange rates.

With regard to revenues, the currencies to which DiaSorin is more exposed are the U.S. Dollar (accounting for about 50% of revenues in 2023), the Chinese Yuan (accounting for about 4% of revenues in 2023) and the Canadian dollar (accounting for about 3% of revenues in 2023).

With regard to the company's financial position, a significant portion of the debt from Luminex acquisition is denominated in U.S. Dollar (about two thirds), consistently with the currency of the assets acquired and with the economic composition of revenues.

Future fluctuations of the Euro versus other currencies may have an impact, even though marginal, on the income statement, balance sheet and financial position of the Company and the Group.

With regard to interest rates, note that:

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

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

Commercial risk

Diasorin operates in a market characterized by major competitors that use particularly aggressive strategies and exert pressure on sales price. This applies to high-volume products, the so-called mainstream products, that are present in all major competitors' menus. In order to limit this phenomenon, the Group developed a strong specialty menu to enter niche markets. Furthermore, following the trend recorded in countries where small lab chains merged into big chains, revenues may be concentrated at some major customers. Potential risks connected to this phenomenon are mitigated through the adoption of long-term contracts and the implementation of a commercial strategy aimed at expanding the customer base, which is composed of medium and small-sized hospital laboratories.

7. SIGNIFICANT EVENTS OCCURRED AFTER DECEMBER 31, 2023 AND BUSINESS OUTLOOK

With reference to the business outlook, the Management expects in 2024:

- REVENUES AT CER:
  - Revenues net of COVID business: +5% /+7%
  - COVID revenues: about € 30 million
- ADJUSTED EBITDA MARGIN: 32% / 33%

8. REVIEW OF THE OPERATING PERFOMANCE AND FINANCIAL POSITION OF DIASORIN S.P.A

Foreword

The 2023 separate financial statements have been prepared in compliance with the International Accounting Standards (IFRS) issued by the International Accounting Standards Board ("IASB") and approved by the European Union and are consistent with the provisions issued in implementation of Art. 9 of Legislative Decree No. 38/2005.

Overview of the Group's performance in 2023 and comparison with 2022

It should be noted that since July 1, 2022, as part of the corporate restructuring project, the Group's Parent company Diasorin S.p.A. has been focused on defining the Group's strategic direction and management. Since then, the Company Diasorin Italia S.p.A. has been in charge of the operating activities that had been previously carried out in Italy and the United Kingdom. As a result of the operation described above, the comparison between the income statement in 2023 and in 2022 shows a change in the perimeter that makes the analysis of changes occurred in the periods under comparison ineffective.

INCOME STATEMENT		
(in € thousands)	**2023**	**2022**
Net revenues	24,806	260,362
Cost of sales	-	(137,992)
Gross profit	**24,806**	**122,370**
Sales and marketing expenses	(12,675)	(25,175)
Research and development costs	(4,003)	(15,107)
General and administrative expenses	(34,427)	(38,216)
Total operating expenses	**(51,105)**	**(78,498)**
Other operating income (expenses)	(9,913)	5,758
non-recurring amount	*(3,002)*	*(5,274)*
Operating result (EBIT)	**(36,212)**	**49,630**
Financial income	74,250	10,092
Financial expenses	(20,154)	(12,663)
Profit before taxes	**17,884**	**47,059**
Income taxes	10,395	(9,271)
Net profit	**28,279**	**37,788**
EBITDA [1]	**(34,069)**	**73,304**

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

Net revenues

In 2023, as a result of the corporate restructuring operations described above, the Group's Parent Company did not accrue the commercial revenues that amounted to € 260,362 thousand until June 30, 2022.

Following the focus of Diasorin S.p.A. on holding activities and services, revenues amounting to € 24,806 thousand at December 31, 2023 include coordination services provided to subsidiaries such as marketing activities, centralized treasury and personnel management, implementation and management of Group's IT services.

Operating performance

Operating expenses were € 51,105 thousand. As a result of the business change following the hive-down, the item cannot be compared to 2022 (€ 78,498 thousand) as the year was still affected by the operating activity carried out in the first half of 2022.

The balance of other operating charges and income was negative by € 9,913 thousand (positive by € 5,757 thousand in 2022, including income deriving from non-Corporate costs charged back to Group's companies). The amount includes non-recurring expenses amounting to € 3,002 thousand in connection with the Luminex Group integration.

EBITDA was negative and amounted to € **34,069 thousand**; likewise, EBIT was negative and amounted to **€ 36,212 thousand**.

Financial performance

In 2023, net financial income amounted to € 54,096 thousand as against net financial expenses of € 2,571 thousand in 2022.

Financial income amounted to € 74,250 thousand (€ 10,092 thousand in 2022) and include mainly:

- dividends received by the subsidiaries amounting to € 66,368 thousand in 2023, as against € 7,373 thousand in 2022;
- interest income and other financial income amounting to € 813 thousand (€ 1,938 thousand in 2022).

Interest expenses and other financial charges were € 20,154 thousand (€ 12,663 thousand in 2022) and refer to notional interests at amortized cost accrued on the convertible bond for the Luminex acquisition.

Profit before taxes and net profit

In 2023, the Parent Company's profit before taxes amounted to € 17,884 thousand (€ 47,058 thousand in 2022), down from 2022 and still affected by the operating activities transferred to Diasorin Italia S.p.A. in 2022.

The Group's Parent company's income taxes were positive by € 10,395 thousand, mainly as a result of the IRES loss recognized as income on tax consolidation.

The net profit was € 28,279 thousand (€ 37,386 thousand in 2022). The decrease is due to the combined effects of the elements described above.

Statement of financial position at December 31, 2023

The table below shows a breakdown of the financial position at December 31, 2023:

(in € thousands)	**12/31/2023**	**12/31/2022**
Goodwill and other Intangible Assets	7,729	8,518
Total property, plant and equipment	2,571	2,058
Equity investments	988,912	1,006,932
Other non-current assets	789	1,077
Net working capital	53,201	55,119
Other non-current liabilities	(2,164)	(4,938)
Net invested capital	**1,051,038**	**1,068,766**
Non-current financial receivables to Group companies	**21,774**	**30,976**
Net financial debt	**(613,875)**	**(602,123)**
Shareholders' equity	**458,937**	**497,619**

Non-current assets decreased to € 1,000,001 thousand compared to December 31, 2022 (€ 1,018,585 thousand). The decrease in the equity investment item, equal to € 18,020 thousand, is mainly due to the liquidation of Diasorin Ireland Ltd in March 2023 within the scope of the corporate restructuring of the Group's Irish assets.

The net working capital was € 53,201 thousand, broken down as follows:

(in € thousands)	**12/31/2023**	**12/31/2022**	**Change**
Trade receivables	40,651	40,149	502
Ending inventories	-	-	-
Trade payables	(12,274)	(16,619)	4,345
Other current assets/liabilities (1)	24,824	31,589	(6,765)
Net working capital	**53,201**	**55,119**	**(1,918)**

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

Trade receivable due to Group companies were € 40,651 thousand and include receivables deriving from intercompany services.

In 2022, following the contribution, the whole inventories were transferred to Diasorin Italia S.p.A..

Trade payables amounted to € 12,274 thousand include payables due to both Group companies and third distributors.

Other net assets were 24,824 thousand at December 31, 2023 (net liabilities amounting to 31,589 thousand in 2022).

Other non-current liabilities were € 2,164 thousand and include provisions for employee benefits.

Non-current financial receivables owed to Group companies were € 21,774 thousand and refer mainly to loans granted to Group companies.

At December 31, 2023, the Parent Company's **net financial debt** was negative by **€ 613,875 thousand**. Further details are provided in the section on consolidated statement of cash flow of Diasorin S.p.A.

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

	(in € thousands)	**12/31/2023**	**12/31/2022**
A	Cash on hand	32,374	16,805
B	Cash equivalents	-	-
C	Other current financial assets	15,766	13,919
D	**Cash (A+B+C)**	**48,140**	**30,724**
E	Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	203,476	183,548
F	Current portion of non-current financial debt	-	-
G	**Current financial debt (E+F)**	**203,476**	**183,548**
H	**Net current financial debt (G-D)**	**155,336**	**152,824**
I	Non-current financial debt (excluding the current portion and debt instruments)	743	734
J	Debt instruments	457,796	448,565
K	Trade payables and other non-current debts	-	-
L	**Non-current financial debt (I+J+K)**	**458,539**	**449,299**
M	**Total financial debt (H+L)**	**613,875**	**602,123**

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

It should be noted that the net financial debt includes:

- the use of a "Revolving Credit Facility" for € 45,000 thousand;
- the accrual of notional interests for € 8,389 thousand on the Convertible bond for the acquisition of Luminex.

Further details on debt instruments are provided in the explanatory Notes of the Financial Statements.

At December 31, 2023, **shareholders' equity** amounting to **€ 458,936 thousand** (€ **497,619** thousand at December 31, 2022) included no. 2,588,278 treasury shares, equal to 4.63% of the share capital, for a total of € 296,797 thousand.

The change, equal to € 38,683 thousand compared to December 31, 2022, includes € 15,520 thousand for the purchase of treasury shares, amounting € 28,689 thousand, along with a total of € 11,515 thousand for stock options exercise and € 1,653 thousand for the assignment of the first cycle of the 2022 equity plan.

Analysis of cash flows

A complete statement of cash flows is provided in the financial statements. A schedule showing the statement of cash flows, followed by a review of the main statement items and the changes that occurred compared to 2022, is provided below:

(in € thousands)	2023	2022
Cash and cash equivalents- opening balance	**16,805**	**146,446**
Cash provided by operating activities	(8,461)	7,957
Cash used in investing activities	65,118	(8,438)
Cash provided by financing activities	(41,087)	(118,626)
Liquidity transferred to DiaSorin Italia S.p.A.	-	(10,535)
Net change in cash	***15,569***	***(129,641)***
Cash and cash equivalents- closing balance	**32,374**	**16,805**

At December 31, 2023, available **liquid assets** held by the Group's Parent Company increased to **€ 32,374 thousand** from € 16,805 thousand at December 31, 2022.

The cash flow from operating activities was negative by € 8,461 thousand as against positive € 7,957 thousand in 2022. In 2023, tax payments were € 25 thousand as against € 54,834 thousand in 2022, as a result of lower payments for 2022 balance and advances for 2023 and the benefit deriving from the renewal of the Patent-Box agreement.

Cash from investing activities were € 65,118 thousand as against € 8,438 thousand absorbed in 2022 and include dividends received from Group companies.

As regards financing activities the following should be noted:

- distribution of ordinary dividend equal to € 58,870 thousand in 2023 (€ 57,052 thousand in 2022);
- purchase and sale of treasury shares to service the stock options plans for an amount equal to € 18,534 thousand (purchase/sale of treasury shares equal to € 159,849 thousand in 2022);
- increased use of the Revolving Credit Facility by € 5,000 thousand;
- an increase in financial items owed to Group companies, equal to € 31,818 thousand (increase of € 59,296 thousand in 2022).

9. RELATED-PARTY TRANSACTIONS

Diasorin S.p.A. has engaged on a regular basis in commercial and financial transactions with its subsidiaries, which are also Group companies. These transactions, which are executed on standard market terms, consist of the supply of goods and services, including administrative, information technology, personnel management, technical support and consulting services, which produce receivables and payables at the end of the year, and financing and cash management transactions, which produce income and expenses. The impact of these transactions on the single items of the statement of financial position, the income statement and the cash flow is summarized in the financial statements and detailed in Note 31 of the consolidated Financial Statements and in Note 28 of the annual Financial Statements.

The “Procedure for Related-Party Transactions” for 2023 can be consulted on the company’s website (www.diasorin.com).

Report on Operations

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

Pursuant to art. 123-bis TUF
(Traditional management and control model)

Issuer: DIASORIN S.p.A.
Website: www.diasoringroup.com
Financial year to which the Report refers: 2023
Date of approval of the Report: March 15, 2024

GLOSSARY

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

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

"**Borsa Italiana**": Borsa Italiana S.p.A.

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

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

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

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

"**CRS Committee**": the Issuer's Control, Risk and Sustainability Committee.

"**RN Committee**": The Issuer's Remuneration and Nominating Committee.

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

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

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

"**Year**": the year to which the Report refers.

"**Euronext Milan**" the market segment managed by Borsa Italiana S.p.A. on which the Issuer's shares are traded.

"**Supervisory Body**" or "**SB**": the Issuer's Supervisory Body appointed pursuant to Legislative Decree 231/2001 ("*Organismo di Vigilanza*").

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

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

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

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

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

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

"**Website**": the Issuer's website, accessible at the URL address: https://int.diasorin.com/it

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

"**Large Company**": the company with a capitalization of more than €1 billion on the last trading day of each of the previous three calendar years.

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

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

"**Deputy Chairman**": the Deputy Chairman of the Board of Directors. At the date of this Report, the office of Deputy Chairman is held by Mr. Giancarlo Boschetti.

1. PROFILE OF THE ISSUER

Diasorin S.p.A. was granted permission to trade on the former Italian Telematic Stock Market, organized and managed by Borsa Italiana S.p.A, Star segment, on July 19, 2007.

Subsequently, after the company entered the FTSE MIB Index (where it was listed until December 23, 2013 and then listed again on December 4, 2018, until today), the Issuer submitted a request of voluntary exclusion from the STAR segment.

The Issuer does not qualify as a SME, pursuant to art 1, paragraph 1, letter w-*quater*.1), of the TUF and to art. 2-*ter* of the Consob Issuers' Regulation.

Diasorin's system of Corporate Governance, as described in this Report, is consistent with the main recommendations of the Corporate Governance Code (subject to the specifications provided in this Report) to which Diasorin adheres.

Based on the provisions of the Corporate Governance Code, the Issuer qualifies as (i) a Large Company since on the last trading day of 202, 2022, and 2023 its capitalization was more than €1 billion and (ii) a concentrated ownership company since Finde s.s., directly and indirectly through IP Investimenti e Partecipazioni S.r.l. and Finde S.p.A., holds the majority of the votes that can be exercised in the ordinary shareholders' meeting.

This Report describes the corporate governance structure, as set forth in the By-Laws in force, along with regulations and policies adopted by the Group.

Diasorin is organized in accordance with the traditional management and control model referred to in articles 2380-*bis* and following of the Civil Code. Accordingly, it includes a Shareholders' Meeting, a Board of Directors and a Board of Statutory Auditors.

Pursuant to a resolution approved by the Shareholders' Meeting on April 28, 2016, the independent auditing function has been awarded to "PricewaterhouseCoopers S.p.A.". The assignment will end upon approval of the financial statements at December 31, 2024.

Pursuant of articles 3 and 4 of Legislative Decree 254/2016, the Issuer is required to prepare the Consolidated Non-Financial Statement, published as an annex to the Annual Financial Report, (published on the Issuer's website in the Section "Investors/Financial Corner/Financial Statements and Reports", to which reference is made for additional information), which presents the main policies applied by the company, the management models and the main activities carried out by the Group in 2023 with regard to the issues expressly referred to by legislative Decree 254/16 (environmental, social and employee-related matters, respect for human rights, fight against corruption), as well as the main risks identified with those issues. The Issuer also falls within the scope of Directive 2022/2464 on sustainability reporting (Corporate Sustainability Reporting Directive – CSRD).

The Board of Directors, as part of the process of adjustment to the recommendations contained in the Corporate Governance Code, promotes the integration of sustainability issues within its corporate governance system and the compensation policy, in the terms described in the following Report and summarized in Section 16 "*Considerations on the letter of 17 December, 2023, from the Chair of the Corporate Governance Committee*".

1.1 Main contents of the Report 2023

The Report approved by the Board of Directors on March 15, 2024 provides a general description of the corporate governance system adopted by the Group, the ownership structure and quantitative and qualitative information about the activities of the Board of Directors, its Committees and its System of Internal Control and Risk Management. The Report describes how the Company has concretely applied the principles of the CG Code and its cases of disapplication, and the reasons thereof on a "comply or explain" basis.

2. INFORMATION ON OWNERSHIP STRUCTURE
(pursuant to art. 123-bis, paragraph 1, TUF) at December 31, 2023

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

At December 31, 2023, a breakdown of the Company's share capital of € 55,948,257.00 (subscribed and fully paid-in) is as follows:

SHARE CAPITAL STRUCTURE				
	No. of shares	***No. of voting rights*** **	***Listed***	***Rights and obligations***
Ordinary share (par value € 1 each) without increased voting rights *ISIN IT0003492391*	23,526,619*	23,526,619	Euronext Milan	Shareholders' rights and obligations are those provided in art. 2346 et seq. of the Civil Code; specifically, each share gives right to one vote, without prejudice to the shares that accrued increased voting rights, pursuant to art. 9-*bis* of the By-Laws.
Ordinary share (par value € 1 each) with increased voting rights *ISIN IT0005188385*	32,421,638	64,843,276	Euronext Milan	Shareholders' rights and obligations are those provided in art. 2346 et seq. of the Civil Code; the shares that accrued increased voting rights pursuant to Article 9-bis of the By-Laws are entitled to two share votes.

* N. 2,583,579 treasury shares currently held in the Company's portfolio; the number of treasury shares was 2,588,278 at 12.31.2023.

** The amount of voting rights was equal to 88,369,895 at 12.31.2023.

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

In 2023, a number of shareholders, each holding a number of voting rights lower than 3% of the total amount of voting rights, accrued increased voting rights in accordance with article 9-bis of the By-Laws. At December 31, 2023, no. 32,421,638 shares accrued increased voting rights (see paragraph **2**, lett. **d**).

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

"Group/Governance/Ownership structure/Increased voting rights", where further information on increased voting rights is provided.

Stock Option Plans

The terms of the Stock Option Plans currently in force and, namely "DiaSorin S.p.A. 2016 Stock Option Plan" ("**2016 Plan**"), "DiaSorin S.p.A. 2017 Stock Option Plan" ("**2017 Plan**"), "DiaSorin S.p.A. 2018 Stock Option Plan" ("**2018 Plan**"), "DiaSorin S.p.A. 2019 Stock Option Plan" ("**2019 Plan**"), "DiaSorin S.p.A. 2020 Stock Option Plan" ("**2020 Plan**") and "DiaSorin S.p.A. 2021 Stock Option Plan" ("**2021 Plan**") the "Equity Awards Plan" approved by the Shareholders' Meeting on April 29, 2022 ("**Equity Plan**") and " DiaSorin S.p.A. 2023 Stock Option Plan ("**2023 Plan**") are available in the Information Documents on the Issuer's website (in the Section " Group/Governance/Remuneration/Information Documents /Incentive Plans"). Updates are reported in the Report on the remuneration policy and fees paid available on the Issuer's website in the Section "Governance/Governance Documents/Shareholders' Meeting /2024"

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

No restrictions on transfer of securities have been issued.

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

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

SIGNIFICANT EQUITY INTERESTS					
Reporting party	**Direct shareholder**	**Number of shares**	**% of share capital***	**Number of voting rights ****	**% of voting rights**
Finde SS	IP Investimenti e Partecipazioni S.r.l.	24,593,454	44.957	49,186,908	56.946
	Finde S.p.A.	570,000		1,140,000	
Rosa Carlo	Sarago S.r.l.	2,402,532	8.363	4,805,064	10.533
	Sarago 1 S.r.l.	2,226,682		4,453,364	
	Rosa Carlo	50,000		50,000	
Even Chen Menachem	MC S.r.l.	2,300,000	4.200	4,600,000	5.262
	Even Chen Menachem	50,000		50,000	
T. Rowe Price Associates, Inc.	T. Rowe Price Associates, Inc.	1.696.073	3.032	1.696.073	1.919

* The share capital consists of 55,948,257 shares (par value of €1.00).

** At 12.31.2023, the total amount of voting rights was 88,369,895.

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

On April 28, 2016, the Shareholders' Meeting approved amendments to the Company By-Laws, pursuant to art. 127-*quinquies* of the TUF, providing that two votes are attributed to each share that has been held by the same shareholder for a continuous period of at least twenty-four months from the date of registration in a special list (the "**Special List**"). The Shareholder may apply for the registration in the Special List at any time by the fifth trading day from the end of each calendar month and, in any case, by the trading day following the date as set forth in Article 83-*sexies*, paragraph 2 of the TUF (record date).

At December 31, 2023, shares that accrued increased voting rights amounted to 32,421,638.

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

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

No employee stock ownership plans have been issued, as defined in Article 123-*bis*, paragraph1, letter e), of the TUF.

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

No restrictions of voting rights have been issued.

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

As far as the Issuer is aware, as at December 31, 2023, there were no relevant agreements among Shareholders, pursuant to Article 122 of the TUF.

h) Change of control clauses (pursuant to art. 123-bis, paragraph 1, letter h), TUF) and statutory provisions on takeover bids (pursuant to art. 104, paragraph1-ter, and 104-bis, paragraph 1, TUF)

Except for what is set forth on these clauses in the Report on the remuneration policy and fees paid, published pursuant to Article 123-*ter* of the TUF on the Issuer's website in Section "Group/Governance/Shareholders' Meeting/2024" to which reference is made, the Issuer entered into certain significant agreements for the acquisition of Luminex, whose validity is conditional upon or connected to the Company change of control.

In particular:

- the "terms and conditions" of the equity-linked bond issue called "€500 million Zero Coupon Equity Linked Bonds due 2028", provide that during the period from the date on which the change of control ("Change of Control") occurs until the end of the sixtieth day following the change of control, or in the period commencing from the date the Company gives notification to the bondholders of a change of control until the end of the sixtieth day following the change of control (Relevant Event Period), each investor shall be

granted either (i) the right to request the reimbursement of all or part of the Bonds at par value (principal amount), by exercising a put option, or (ii) the right, subsequent to any exercise of the conversion or settlement right, to convert the Bonds at a (new) conversion price temporarily modified on the basis of a specific formula, at the terms and according to the conditions of the Bond issue.
A Change of Control means a change of control of the Issuer if one or more individuals (with the exception of Finde s.s. and its subsidiaries), acting in concert with others or individually, acquire control of the Company or more than 50 % of the voting rights or control on the exercise of more than 50% of the Issuer's voting rights;

- the Senior Facilities Agreement, which was signed on April 11, 2021 by DiaSorin Inc. (as borrower),the Issuer (as guarantor), the Agent Bank (i.e., Mediobanca – Banca di Credito Finanziario S.p.A.) and a pool of Lending Banks, provides that, inter alia, where any person who, acting individually or in concert with others (with the exception of Finde s.s. and its subsidiaries) acquires Control (as described below) of the Issuer: (i) the Issuer shall promptly notify the Agent Bank of the change as soon as the Issuer is informed of such event; (ii) the lending banks will no longer be obliged to finance DiaSorin Inc.; and (iii) if one of the lending banks so requires and gives notice to the Agent Bank within 20 days after the Company has notified the change of control, the Agent Bank shall cancel the commitment of that bank to finance DiaSorin Inc. and shall declare the sums due to that bank immediately due and payable together with interests.
  "Control" means the right to exercise or control more than 50% of voting rights or the power to appoint the majority of the Board of the Issuer.

On 29 April 2022, the Shareholders' Meeting approved pursuant to art. 114-*bis* of the TUF a new incentive plan based on the assignment of rights, which grant the right to receive Issuer's financial instruments, called the "Equity Awards Plan", intended for employees other than the members of the Board of Directors and Control bodies and who do not qualify, in any case, as Executives with Strategic Responsibilities. The regulations of the Plan provide for an acceleration to accrue rights, provided that the beneficiaries of the Plan are still employed by the Issuer (or other Group companies) if, (a) a change of control takes place pursuant to Article 93 of the TUF, even if this does not result in the obligation to launch a takeover bid; (b) a public purchase offer or a public exchange offer concerning the Company's shares is launched; or (c) resolutions are passed on transactions which may result, even indirectly, in the permanent withdrawal of shares being listed on regulated markets; or (d) resolutions and/or commitments are made that make the delisting certain. Additional information is provided in the relevant information document published on the Issuer's website (Section "Group/Governance/Remuneration/Information Documents Incentive Plans").

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

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

On April 28, 2023, the Shareholders' Meeting approved a motion to authorize the purchase and disposal of ordinary shares of DiaSorin S.p.A. to service the 2023 Plan and other incentive plans adopted by the Company.

The Shareholders' Meeting resolved, among other things:

- to authorize, pursuant to and for the purposes of Article 2357 of the Civil Code, the purchase, on one or more occasions for a period of eighteen months from the date of the resolution of the Ordinary Shareholders' Meeting, of ordinary shares of the Company up to a maximum amount of 610,000 ordinary shares, at a consideration not lower than a minimum of 15% and not higher than a maximum of 15% compared to the official price of the DiaSorin S.p.A. share of the stock exchange session preceding each individual purchase transaction, in compliance with the conditions relating to trading, established in Article 3 of Delegated Regulation (EU) 2016/1052;at any time the maximum number of treasury shares held for the purposes of adopting this resolution shall not exceed the maximum limit established by applicable legislation in force, also taking into account the shares of the Company that may be owned by its subsidiaries;

- to authorize the Board of Directors, and on its behalf the Chairman and the Chief Executive Officer, also separately, to identify the amount of shares to be purchased in relation to each purchase program, within the scope of the purposes indicated above, prior to the start of the program, and to proceed with the purchase of shares in the manner established in the applicable provisions of Consob Regulation 11971/1999 (as amended) implementing Article 132 of the TUF, in compliance with the conditions relating to the listing referred to in Article 3 of Delegated Regulation (EU) 2016/1052 and in the stages deemed appropriate in the interest of the Company, assigning the widest-ranging powers for the execution of the purchase transactions referred to in this resolution and any other formalities relating thereto, including the possible appointment of intermediaries authorized pursuant to law and with the right to appoint special attorneys-in-fact;

The Shareholders' Meeting provided, in accordance with the law, that the purchases referred to in this authorization are contained within the limits of distributable profits and available reserves resulting from the last financial statements (including interim financial statements) approved at the time of carrying out the transaction and that, on the occasion of the purchase and sale of treasury shares, the necessary accounting entries are recorded, in compliance with applicable provisions of law and accounting standards.

The Board of Directors launched the treasury share buy-back plan on May 9, 2023; as part of the plan that has not yet been completed at the date of this Report, a total of 462,400 ordinary shares, equal to 0.8265% of the share capital have been purchased, for a total value of € 43,949,525.84.

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

At December 31, 2023, Diasorin held 2,588,278 treasury shares, corresponding to 4.6262% of its share capital. At the date of this Report, Diasorin holds 2,583,579 treasury shares, corresponding to 4.62 % of its share capital.

All disclosure required by the applicable regulation is available in the Explanatory Report of the Board of Directors published pursuant to law also on the Issuer's website (Section "Group/Governance/Shareholders' Meeting/2024").

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

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

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

---

it should be noted that the information required by Article 123-*bis*, paragraph 1, letter i) of the TUF on "*Agreements between the Company and its Directors, Management Board or Supervisory Board members, which envisage indemnities in the event of resignation or dismissal without just cause or if their employment relationship terminates following a take-over bid*" are illustrated in the Report on the Remuneration policy and fees paid drawn up in accordance with Article 123-*ter* of the TUF on the Company's website (www.diasoringroup.com, Section "Governance/Shareholders' Meeting/2024".

Information required under Article 123-*bis*, paragraph 1, Letter l) of the TUF on "*Provisions applicable to the appointment and substitution of Directors, Management Board or Supervisory Board members, as well as to the amendment to By-Laws, if different from the legislative and regulatory provisions applicable as a supplementary measure*" are illustrated in the section of the Report dedicated to the Board of Directors (paragraph 4.2).

3. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE 2020 (pursuant to art. 123-bis, paragraph 2, letter a), TUF)

The Corporate Governance System adopted by Diasorin is based on the principles and recommendations expressed by the Corporate Governance Committee, which is composed of Business Associations (ABI, ANIA, Assonime, Confindustria), Borsa Italiana and the Association of Professional Investors (Assogestioni), and contained in the CG Code approved in January 2020. The CG Code is available to the public on the Borsa Italiana website at *https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf*.

During the Board of Directors meeting held on November 11, 2021, Diasorin examined the recommendations contained in the new edition of the Corporate Governance Code that had not been previously transposed and, on December 16, 2021, the Board of Directors passed the necessary resolutions in order to comply with it. At the date of this Report, the governance structure of Diasorin complies with the provisions of the Corporate Governance Code applicable to the Company, except in cases of disapplication provided in Table 7 and explained hereunder.

It should be noted that none of the subsidiaries established in other countries is subject to non-Italian provisions of law that influence the Issuer's Corporate Governance structure.

The application of the CG Code is provided in Table 7.

4. BOARD OF DIRECTORS

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

Powers and authorities of the Board of Directors

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

- mergers and demergers, when permissible pursuant to law;
- the opening and closing of secondary offices;
- reductions of share capital in the event of Shareholders withdrawal;
- amendments to the By-Laws required pursuant to law;
- moving the Issuer's registered office to another location in Italy.

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

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

In particular, the Board of Directors:

a) reviews and approves the business plan of the Company and the Group it heads, also on the basis of the analysis of matters that are relevant for the long-term value generation. Such analysis is carried out with the support of the CRS Committee;
b) periodically monitors the implementation of the business plan and assesses the general course of the business, by comparing the results achieved with those planned; in 2023, this assessment was carried out during the Board Meeting on March 27, 2023 and again on March 15, 2024;
c) defines the nature and level of risk compatible with the Company's strategic objectives, including all the elements that can be relevant for the company's sustainable success in its evaluations;
d) defines the corporate governance system of the Company and the structure of the Group it heads, and assesses the adequacy of the company's organizational, administrative and accounting structure and of its strategically relevant subsidiaries, with particular reference to the Internal Control and Risk Management System;
e) adopts corporate internal procedures, including market abuse issues (EU) Regulation no. 596/2014, the so-called Market Abuse Regulation);
f) approves transactions of the company and its subsidiaries that have a significant impact on the company's strategies, profitability, assets and liabilities or financial position. In this regard, it should be noted that the Board has not established general criteria to identify transactions that have a significant impact on the company's strategies, profitability, assets and liabilities or financial position

since the Board of Directors considers it more suitable to assess significant transactions on a case-by-case basis;

g) on December 16, 2021, the Board adopted a shareholder engagement policy (further information is provided in Section 12 "Investor Relations").

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

Pursuant to Article 13 of the By-Laws, on the occasion of Board meetings but not less frequently than once a quarter, the governance bodies to whom powers have been delegated inform the Board of Directors and the Board of Statutory Auditors about the performance of the Issuer and of its subsidiaries, its business outlook and transactions that have a material impact on its income statement, balance sheet and financial position, focusing on transactions in which Directors may have an interest, directly or through third parties, or which may be influenced by a party with management and coordination authority.

Pursuant to Article 15 of the By-Laws the Board of Directors, which is required to act with the mandatory input of the Board of Statutory Auditors, has jurisdiction over the appointment and dismissal of the Corporate Accounting Documents Officer and the determination of his compensation. The Company's Corporate Accounting Documents Officer must meet the integrity requirements of the relevant statutes currently in force for those who perform administrative and management functions, as well as professional requirements that include specific expertise in administrative and accounting issues. Expertise in these areas must be verified by the Board of Directors and must be the result of work performed in a position of sufficiently high responsibility for an adequate length of time.

Pursuant to Article 17 of the By-Laws, the Board of Directors can appoint one or more General Managers and determine their powers, which may include the power to appoint representatives or grant powers of attorney for specific transactions or classes of transactions. General Managers attend the Board of Directors meetings and are entitled to make non-binding recommendations with regard to the items on the agenda.

Pursuant to Article 15 of the By-Laws and Article 3, Principle XI of the Corporate Governance Code, the Board may establish committees and determine their composition and tasks. With regard to the Committees established internally by the Issuer's Board of Directors, refer to the following Sections 7.2 (Remuneration and Nominating Committee), 9.2 (Control, Risk and Sustainability Committee) and 10.2 (Committee for Related-Party Transactions).

Pursuant to Article 12 of the By-Laws and Art. 3, Recommendation 18 of the Corporate Governance Code and the current Board Regulation, the Board of Directors may appoint a standing Secretary (the "**Secretary of the Board**"), even outside its members. In implementation of the aforementioned provisions, on April 29, 2022, the Board appointed Mr. Ulisse Spada, Corporate V.P. General Counsel, as its standing secretary. Further information is provided in Section 4.5 below.

All members of the Board of Directors are required to make informed and independent decisions, pursuing the goal of creating sustainable success for the Issuer and undertake to devote to the diligent performance of their duties within the Issuer the time necessary, irrespective of the posts held outside the Diasorin Group, being fully aware of the responsibilities entailed by the office they hold.

During the meeting held on November 5, 2010, the Board approved the procedure to regulate related-party transactions; the updated procedure is available on the Issuer's website (Section "Group/Governance/Governance Documents/Procedures") and detailed in Section 10.1 below.

The Issuer is required to publish information documents for "significant transactions" as per art. 70, paragraph 6 and art. 71, paragraph 1 of the Consob Issuers' Regulation as the Issuer did not exercise the right to waive the obligation to publish the abovementioned information documents.

The Shareholders' Meeting did not authorize general and precautionary derogations from the ban of competition set forth in article 2390 of the Italian Civil Code. No critical situation occurred on the matter.

4.2 APPOINTMENT AND REPLACEMENT OF DIRECTORS (pursuant to art 123-bis, paragraph 1, letter l), TUF)

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

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

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

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

Pursuant to Article 144-*undecies*, paragraph 3, of the Issuers' Regulation, if the application of the gender distribution criterion does not result in a whole number of members of the Board of Directors and Board of Statutory Auditors belonging to the less represented gender, this number is rounded up to the next higher unit, with the exception of the corporate bodies made up of three members whose number is rounded down.

In this regard, it should be noted that the Shareholders' Meeting held on April 22, 2021 has amended, among other things, Article 11 of the By-Laws relating to the composition (in terms of gender balance) of the slates which present a number of candidates equal to or greater than three, in order to eliminate the previous one-third quota and provide for a reference to the contents of the notice convening the Shareholders' Meeting to comply with the current law in force on gender balance.

The abovemen'ioned new rules have been applied during the Shareholders' Meeting held on April 29, 2022, which was convened to approve the renewal of the Board of Directors coming to the end of their terms of office with the approval of the financial statements at December 31, 2021.

This paragraph describes the procedures for the election of the Board of Directors in compliance with the current provisions of the By-Laws. Article 11 of the By-Laws requires that the Board of Directors be elected, in compliance with applicable gender balance laws and regulation, by a voting system based on slates of candidates filed by shareholders who, individually or in concert with others, represent the percentage of share capital subscribed at the date the slate is filed, which is laid down and published by Consob under the Issuers' Regulation. As duly established by Art. 144- *septies*, paragraph 1, of the Consob Issuers' Regulation, under the Management Decision no. 92 of 31 January 2024 of the Head of the Corporate Governance Division, shareholders owning a shareholding equal to 1% of the share capital are entitled to present the slates of nominees to allocate the Directors to be elected.

Each shareholder, shareholders who are parties to a shareholders' agreement that qualifies as such pursuant to Article 122 of the TUF, as well as the Company's controlling party, its subsidiaries and joint ventures that qualify as such pursuant to Article 93 of the TUF may not file or participate in the filing, directly or through a

[1]Paragraph 1-*ter, of* art. 147-*ter*, of TUF, in force at the date of this Report provides, among other things, that "*the less represented gender shall obtain at least two fifths of the appointed Directors. This criterion shall apply for six consecutive mandates*".

third party or a nominee, of more than one slate and may not vote for multiple slates. Each candidate can be included in only one slate, on penalty of losing the right to be elected. Votes cast in violation of this provision will not be allocated to any slate.

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

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

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

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

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

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

Directors who meet the independence requirements that apply to Statutory Auditors pursuant to Article 148, paragraph 3, of the TUF to achieve the minimum statutory percentage of the total number of elected Directors, the non-independent candidate elected last in the sequence listed in the slate that received the highest number of votes, as referred to in paragraph (a) above, shall be replaced with the first non-elected independent candidate who is listed next sequentially in the same slate or, alternatively, by the first non-elected candidate listed sequentially on other slates, based on the number of votes received by each slate. This replacement procedure shall be applied repeatedly until the Board of Directors includes a number of Directors who meet the requirements of Article 148, paragraph 3, of the TUF equal to at least the statutory minimum. As a further alternative, the replacement candidates may be elected by means of a resolution approved with a relative majority, provided candidates have been placed in nomination in accordance with statutory requirements.

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

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

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

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

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

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

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

The Board of Directors appointed by the Shareholders' Meeting on April 29, 2022 is composed of executives and non-executives Directors, all having appropriate responsibilities and skills for the duties assigned.

The presence of a high number of non-executive directors (13), including (7) independent directors, out of 15 members is sufficient to ensure that their opinion has a significant impact on the Board resolutions and that such resolutions are properly managed.

The Board of Directors was appointed on the basis of single slate filed by IP Investimenti e Partecipazioni S.r.l. (jointly with Finde S.p.A), which certified its ownership of an equity interest equal to about 43.957% of the Company's ordinary shares. Submission of the slate took into account the recommendations provided by the outgoing Board concerning (i) limits to the number of offices held as director or statutory auditor in other companies and (ii) the guidelines about managerial and professional figures and skills whose presence is deemed to be appropriate- taking into account also diversity criteria such as gender, age, skills, also international- described in the Explanatory Report of Directors on the appointment of the Board of Directors, made available on the Company's website.

These guidelines have been formulated by the outgoing Board, taking into account the recommendations of the RN Committee expressed on the meeting held on March 7, 2022, following the annual self-assessment process of the Board of Directors, with the aim of ensuring a mix of expertise, experience and skills among the members of the Board to be appointed for the 2022-2024 term of office.

Pursuant to the Company By-Laws, directors to be elected were taken from the single slate submitted, in this case from the slate filed by the reference shareholder IP Investimenti e Partecipazioni S.r.l. (with favorable votes amounting to 98,342% of the voting capital).

The Board of Directors appointed from the Shareholders' Meeting on April 29, 2022, is comprised of the following 15 members:

Full name	Place and date of birth	Office held	Date of appointment
Michele Denegri	Turin, January 7, 1969	Chairman and Non- Executive Director	April 29, 2022
Giancarlo Boschetti	Turin, November 14, 1939	Deputy Chairman and Non-Executive Director	April 29, 2022
Carlo Rosa	Turin, January 15, 1966	Chief Executive Officer and Executive Director	April 29, 2022
Chen Menachem Even	Ashkelon (Israel), March 18, 1963	Executive Director	April 29, 2022
André Michel Ballester	Orleansville (Algeria), May 22, 1958	Non-executive Director	April 29, 2022
Stefano Altara	Turin, June 4, 1967	Non-executive Director	April 29, 2022
Fiorella Altruda	Turin, August 12, 1952	Independent Director	April 29, 2022
Luca Melindo	Turin, November 11, 1970	Non-executive Director	April 29, 2022
Franco Moscetti	Tarquinia (VT), October 9, 1951	Non-executive Director	April 29, 2022
Francesca Pasinelli	Gardone Val Trompia (BS), March 23, 1960	Independent Director	April 29, 2022
Giovanna Pacchiana Parravicini	Turin, November 10, 1969	Independent Director	April 29, 2022
Diego Pistone	Nizza Monferrato (AT), November 28, 1950	Non-executive Director	April 29, 2022
Roberta Somati	Rivoli (TO), January 9, 1969	Independent Director	April 29, 2022
Monica Tardivo	Turin, April 19, 1970	Independent Director	April 29, 2022
Tullia Todros	Turin, June 18, 1948	Independent Director	April 29, 2022

The table that follows summarizes personal and professional characteristics of each Director in office as at the year-end date and as at the date of this Report. Additional information is provided in the Directors' professional curricula at the Issuer's registered office and available on the Issuer's website (Section Group/Governance/ Shareholders' Meeting/2022) as part of the application forms and relevant documents.

Full name	Office held	Background	Professional characteristics
Michele Denegri	Deputy Chairman and Non-Executive Director	Economic-management education	General Management
Giancarlo Boschetti	Non-executive Director	Economic-management education	General Management
Carlo Rosa	Chief Executive Officer and Executive Director	Economic-management education Scientific education	General Management (formerly Research and Development director)
Chen Menachem Even	Executive Director	Economic-management education Scientific education	Strategic Director in international sales
André Michel Ballester	Non-executive Director	Economic-management education Scientific education	General Management (previous executive roles in biomedical industry)
Stefano Altara	Non-executive Director	Law education	Law education
Fiorella Altruda	Independent Director	Scientific education	Research and Development Advisor
Luca Melindo	Non-executive Director	Economic-management education	Financial Advisor
Franco Moscetti	Independent Director	Economic-management education	Management Advisor
Francesca Pasinelli	Independent Director	Scientific-management education	Management Advisor
Giovanna Pacchiana Parravicini	Independent Director	Law education	Legal and labor law advisor
Diego Pistone	Non-executive Director	Economic-management education	General Management
Roberta Somati	Independent Director	Scientific education	Management Advisor
Monica Tardivo	Independent Director	Law education	Legal Advisor
Tullia Todros	Independent Director	Scientific education	Research and Development Advisor

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

Diversity policies

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

In the meeting held on March 16, 2022, the Board of Directors, upon proposal of the RN Committee and taking into account the review outcomes, defined the guidance as to managerial and professional profiles whose presence is considered necessary within the Board, considering also the limits on the number of offices held in other companies (for which further details are provided in the paragraph below) and diversity criteria such as gender, managerial, professional and international skills and age group within the composition of the Board itself.

In this respect, the Board provided the following guidelines about the appointment of the Board of Directors by the Shareholders' Meeting called to approve the financial statements at December 31, 2021 during the Shareholders' Meeting held on April 29, 2022. Such guidelines are disclosed in the explanatory report prepared pursuant to art. 125-*ter* of the TUF:

- taking into account the Company size and business, it is considered appropriate that the number of Directors does not exceed the current number of 15 (fifteen) Directors;
- at least one third of the Directors must meet the independence requirements, pursuant to art. 148, paragraph 3 of the TUF and to the Code;
- in compliance with regulations on gender balance, at least two fifths of Directors must belong to the less represented gender (rounded up to the next higher unit);
- as regards diversity policy (art. 123-*bis*, paragraph 2, letter d-*bis*)TUF) and in order to facilitate the understanding of the organization of the Company and its activities, as well as the development of an efficient governance of the Company, without prejudice to the legal requirement regarding gender balance, it is appropriate that: (a) the Board is characterized by the age diversity of its members; and (b) the educational and professional career of Directors guarantees a balanced combination of profiles and experiences, suitable to ensure the correct performance of its functions;
- it is deemed necessary that each candidate complies with limits on the number of offices held, as director and statutory auditor (further details are provided in the paragraph below), in other companies in order to ensure sufficient time for the correct performance of his/her duty;
- with regard to the balance between executive and non-executive members, the presence of a chief executive officer with broad management powers and who has acquired specific experience and expertise in the Company is positively evaluated.

During the meeting held on April 29, 2022 for the last renewal of corporate bodies, the Company complied with regulation on gender balance in the composition of corporate bodies, as envisaged by Budget Law no. 160/2019, in force since January 1, 2020, which has amended the procedure set forth in Article 147-*ter*, paragraph 1-*ter* of the TUF.

The Board of Directors in office (as at the year-end date and as at the date of this Report) is composed of 9 men and 6 women.

With the exception of Mr. Chen Even – Executive Director and Chief Commercial Officer- and Mr. André Michel Ballester- Independent Director- all the Board's members are Italian.

The Board of Directors is composed of members belonging to different age groups: 53% of Directors belong to the 51-60 age group, 13% of Directors belong to the 61-70 age group, 27% of Directors belong to the 71-80 age group, and 7% of Directors belong to the 81-90 age group.

Professional experience and background of the Board members can be grouped into three macro areas: economics and management, science and law. In detail, 33.33% of members have a background in economics and management, 26.66% of members have a background in science, 20% of members have both a background in economics and science and 20% of members have a background in law. Most of them gained significant experience abroad, especially in the United States.

Skills and professional experience of the Board members are provided in the professional curricula available at the Issuer's registered office and on the Issuer's website (Section Group/Governance/Shareholders' Meeting /2022), as part of the application forms and relevant documents.

Diversity criteria have been made available to the public in the Explanatory report, prepared pursuant to art. 125-*ter* TUF and in compliance with art. 84-*ter* of the Issuers' Regulation, prior to the appointment of the current Board of Directors, as resolved by the Shareholders' Meeting held on April 29, 2022.

Maximum number of offices held in other significant companies

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

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

Executive Directors are not allowed to serve as executive directors in other relevant companies other than the Issuer and the maximum number of offices as non-executive director in other relevant companies other than the Issuer cannot exceed 4 offices. For non-executive directors the maximum number of offices as directors or statutory auditors in other relevant companies other than the Issuer cannot exceed 6 offices.

In the computation of offices held, the following is not taken into account:

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

All members of the Board of Directors are also required to inform the Board of any new appointments to Boards of Directors or Boards of Statutory Auditors in other companies, in order to allow the Company to comply with the disclosure requirements pursuant to applicable law provisions and regulation.

In duly performing their tasks, Directors accept the office taking into account the Maximum number of Offices, the commitment related to each role also in the light of the nature and the size of the companies in which such positions are held, as well as of whether they belong to the Issuer's Group or have as their corporate purpose the mere management of the director's private interest, without any daily management being required by the director himself.

Directors appointed by the Shareholders' Meeting on April 29, 2022 issued an affidavit on their compliance with Maximum number of Offices.

The current composition of the Board complies with the abovementioned Maximum number of Offices that have been verified on the meeting held on March 15, 2024.

The list of offices held by Directors in other companies is provided in Table 5 annexed to this Report.

Induction programme.

In line with the provisions of the Corporate Governance Code providing that each Director carries out his role in an efficient and informed manner, the Chairman and the Chief Executive Officer ensure that Directors and Statutory Auditors are continuously updated on company operations and market conditions, as well as on the major statutory and regulatory changes concerning the Issuer and its Group.

An induction session was held on July 8, 2022. The session lasted nine hours and was dedicated to newly directors. The session was divided into eleven modules dedicated to the most relevant business issues, corporate governance and the Issuer's Internal Control and Risk Management System, in order to provide directors with proper disclosure and promote fruitful Board meetings.

In 2023, matters defined by art. 3, Recommendation 12, lett. d) of the Corporate Governance Code (i.e., in-depth understanding of the Issuer's business, business dynamics and their evolutions also in relation to the company's sustainable success, principles of sound risks management, and laws and self-regulatory framework) were regularly discussed at the CRS Committee's meetings and submitted to the Board of Directors' meetings.

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

The Issuer undertakes, in any case, to plan structured training programs when it is deemed necessary or when requested by Directors and Statutory Auditors.

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

Pursuant to Article 13 of the By-Laws, the Board of Directors meets at the Company's registered office, or elsewhere, whenever the Chairman deems it necessary or when a meeting is requested by the Chief Executive Officer (if one has been appointed) or by at least three Directors, without prejudice to the right of other parties to call a Board meeting pursuant to law. If the Chairman is absent or incapacitated, Board meetings are called by the person who replaces him pursuant to Article 12 of the By-Laws (i.e., the Deputy Chairman or the oldest Director, in that order).

Meetings of the Board of Directors are validly convened when a majority of the Directors in office is in attendance and resolutions are adopted with a majority of the votes cast by the Directors attending the meeting. In the event of a tie, the Chairman has the tie-breaking vote (Article 14 of the By-Laws).

In order to avoid or manage potential conflict of interest, Executives with Strategic Responsibilities that are also members of the Board of Directors (namely Mr. Carlo Rosa and Mr. Chen Menachem Even) abstain from voting on the resolutions concerning their compensation.

In compliance with the CG Code, in the meeting held on December 16, 2021, the Board approved the Board Regulation which governs, among other things, the procedure to convene the meeting, timely flow of information and procedures for board meetings. More specifically, the Board is convened by the Chairman who plays a connecting role between executive and non-executive Directors, taking care of the effective functioning of the Board's work. The Chairman convenes the Board, defines the items on the agenda in agreement with the Chief Executive Officer and forwards the items on the agenda to Directors and Statutory

Auditors, at least three days before the date set for the meeting, with the exception of urgent cases, in which twenty-four hours' notice is required. The Board Regulation provides that any documentation relating to the items on the agenda will be made available to those concerned at least three working days before the meeting, with the exception of urgent cases or confidentiality needs.

Where it is not possible to provide the information in the aforementioned terms, the timing and scope of the flows of information will not be compromised and adequate and timely insights will be provided during the meeting.

The Chairman ensures that items on the agenda are properly discussed, promoting debate that is useful for the contribution that may arise for the purposes of the decisions to be taken. To this end, the Chairman may request that directors and managers of corporate functions of the Issuer or of the Group and, where necessary, consultants may attend the meeting in order to provide appropriate supplemental information on items on the agenda.

In 2023, directors of the Issuer, managers of corporate functions and consultants attended Board meetings in order to support board proceedings and provide appropriate supplemental information on items on the agenda. The Documents Officer attends meetings relating to the financial statements.

So that the greatest number of Directors can participate in the corporate activities, pursuant to art. 14 of the By-Laws, it is possible to take part in the meetings by attending at distance, using audiovisual connection systems that ensure promptness and opportunities for attending the meeting, without prejudice to the fact that attendee can be correctly identified by the Chairman.

Pursuant to the Board Regulation, resolutions are to be recorded in minutes signed by both the Chairman and the Secretary of the meeting; as a rule, drafts of the minutes are previously made available to the participants with an invitation to submit comments during the next useful meeting, where they will be brought for approval. Part of the minutes relating to the resolutions adopted that require immediate execution may be certified and extracted by the Chairman and Secretary of the Board of Directors, even before completion of the verification process of the entire minutes, which shall also include any actions.

Pursuant to Article 3, Recommendation 18 of the CG Code, the Board Regulation defines professional requirements and duties of the Secretary of the Board (see Section 4.5 below).

In 2023, the Board had 6 meetings: on March 27,2023, May 9, 2023, June 7, 2023, July 27, 2023, November 3, 2023 and December 15, 2023. The meetings lasted 2 hours 15 minutes on average. Information on the meeting attendance by each director is provided in Table 2 annexed to this Report.

In addition to the meeting held on March 15, 2024, no. 3 Board meetings are scheduled for 2024, as provided in the Calendar of Corporate Events published on December 18, 2024 and available on the Issuer's website (Section “Investors / Calendar”).

All the required pre-meeting information on the resolutions in agenda have been properly sent in a timely manner, with a notice period of at least three days before the relevant Shareholders' Meeting; in any case, where the pre-meeting information had not been provided to the Board of Directors, the Chairman ensured that in-depth analyses were carried out at the Board meetings in a correct and timely manner. It should be noted that in 2023 it was not necessary to make use of this option as the pre-meeting information was provided in a timely manner.

The Board of Directors’ meetings were attended by the Chief Financial Officer, the Documents Officer, the General Counsel who attends the meeting as Secretary, and the Company’s directors qualified to provide in-depth analysis on subjects or special projects in the agenda.

4.5. ROLE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Chairman of the Board of Directors.

On April 29, 2022, the Shareholders' Meeting called to appoint the new Board of Directors, appointed Mr. Michele Denegri as Chairman, whom are granted the functions provided by art. 12 of the By-Laws. The Chairman has been granted the functions indicated in the Principle X and in the Recommendation no. 12 of the CG Code.

The Chairman plays a connecting role between executive and non-executive Directors and is responsible for the effective functioning of the Board's work. The Chairman convenes and chairs the meetings of the Board of Directors, sets the agenda of the Board's meetings after consultation with the Chief Executive Officer, plans and coordinates its activities and ensures that sufficient information about the items on the Agenda is provided to all Directors and Statutory Auditors.

The Chairman, as well as being the legal representative under By-Laws before third parties and in court, has been granted any other powers by the Board of Directors.

In compliance with the provisions of the Corporate Governance Code, the Chairman of the Board of Directors, with the support of the Secretary, ensures that:

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

The Chairman works with the Chief Executive Officer in relation to the Shareholder engagement. The policy on the shareholder engagement was approved on December 16, 2021, and published on the Issuer's website (Section "Group/Governance / Governance Documents/ Corporate Procedures).

Deputy Chairman of the Board of Directors.

The Board of Directors, by a resolution dated April 29, 2022, appointed Mr. Giancarlo Boschetti as Deputy Chairman of the Board of Directors, with the same functions as the Chairman to be exercised in his absence or impediment and deputy powers such as those granted to the Chief Executive Officer to be exercised exclusively in case of his inability, absence or impediment, even temporary, of any kind.

Secretary of the Board.

Pursuant to Article 12 of the By-Laws and of the Board Regulation, the Board of Directors may appoint a standing Secretary, also external to its Committee. Appointment and annulment of the Secretary is proposed by the Chairman. The Secretary must be a party with adequate professional requirements and experience in the legal and corporate field, with particular reference to corporate governance and corporate secretarial activities of listed companies.

In the event of his impediment or absence, his duties are entrusted to another person designated from time to time by the Chairman and approved by the Board of Directors of the individual meetings.

The Secretary of the Board supports the activity of the Chairman and assists him in the organization of meetings, in the transmission of pre-meeting information and, in general, in flows of information and in minutes of the meetings. The Secretary of the Board provides impartial advice and assistance to the Board of Directors on all aspects relevant to the proper functioning of the corporate governance system.

On December 21, 2020 the Board, after having verified that professional and experience requirements are met, appointed Mr. Ulisse Spada, Manager of the Corporate Legal Affairs Department, as its standing Secretary. Mr. Spada was confirmed as Secretary for the new term of office during the meeting held on April 29, 2022. In 2023, the Secretary carried out all the functions described above.

4.6 EXECUTIVE DIRECTORS

Chief Executive Officer.

By resolution dated April 29, 2022, the Board of Directors of Diasorin appointed Mr. Carlo Rosa to the office of Chief Executive Officer granting him the power to handle all ordinary and extraordinary business transactions over which the Board of Directors has jurisdiction, with the exception of those that are expressly reserved to the Board of Directors pursuant to law, the By-Laws and the abovementioned resolution, confirming the same offices and functions granted during the previous term of office of the Board. Mr. Carlo Rosa, appointed as General Manager by the Board on April 28, 2006, continued to hold his office with special functions in operating management concerning industrial, commercial and financial areas.

The following powers, by resolution dated April 29, 2022, are reserved to the Board of Directors and may not be delegated:

- approval and change of industrial plan and the annual budget;
- purchase of equity investments, subscription of capital increase in third-party companies for a consideration exceeding € 20,000,000;
- transfer and sale of the Company's equity investments to third parties for a consideration exceeding € 20,000,000;
- purchase, sale and lease of company and business branch for a consideration exceeding € 20,000,000;
- sale/purchase, transfer, in-kind contributions and, in general, any other disposal of intangible assets for a consideration exceeding € 5,000,000;
- investments in instruments for a total amount exceeding € 10,000,000.00 for each transaction;
- assumption of loans, credit lines and bank advances, discount of promissory notes and overdraft facilities for an amount exceeding € 25,000,00.00 for each transaction, excluding credit lines for sureties and except for factoring contracts, which are covered by the delegated powers without amount limitations;
- grant of mortgages, pledges and liens on Company assets for an amount exceeding € 5,000,000.00 for each transaction;
- grant of sureties with third parties for an amount exceeding € 25,000,000.00;
- recruitment and dismissal of directors with level equal or above Corporate Vice President.

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

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

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

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

Executive Committee (pursuant to art. 123-*bis*, paragraph 2, Letter d), TUF).

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

Reporting to the Board of Directors.

In 2023, at all meetings of the Board of Directors and at least every three months, the Chief Executive Officer reported to the Board of Directors on activities performed in the exercise of delegate powers.

Other Executive Directors

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

4.7. INDEPENDENT DIRECTORS

As to the minimum number of Independent Directors, the Board of Directors is composed of 7 independent directors out of 15 members - in compliance with Art. 2, Recommendation 5 of the Corporate Governance Code, according to which in large Concentrated Ownership Companies at least one third of the members of the Board of Directors shall be independent.

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

The Board of Directors verified that the Directors in office met the independence requirements during the meeting held on April 29, 2022, on the date of their appointment. Outcomes of such assessment were disclosed to the market on the same date by a press release available on the Issuer's website, Section "Media/Press Releases/2022", pursuant to Art. 144-*novies*, section 1-*bis*, of the Consob Issuers Regulation.

Most recently, the Board of Directors assessed the independence requirements during the Board meeting held on March 15, 2024, for the approval of the financial statements.

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

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

The Issuer's Board of Directors in office (at the year-end date and at the date of this Report) appointed on April 29, 2022 includes seven (7) Independent Directors out of 15 members: Fiorella Altruda, Andrè Michel Ballester, Giovanna Pacchiana Parravicini, Roberta Somati, Francesca Pasinelli, Monica Tardivo and Tullia Todros. The number and authority of the Independent Directors is sufficient to ensure that their opinion has a significant impact on the decision-making process of the Issuer's Board of Directors. Independent Directors contribute specific professional expertise to Board meetings and help the Board adopt resolutions that are in the Company's interest.

During the year, Independent Directors met on March 3, 2023 and in 2024, they met on March 12; during the aforementioned meetings Independent Directors assessed that the independent requirements were still met as confirmed when accepting the role of Director and as last confirmed in the regular checks carried out in January 2024. Independent Directors assessed also various matters regarded as being proper to the functioning of the Board of Directors and the Company's management. The aforementioned meetings took place upon request from the Lead Independent Director, in a separate and dedicated session and in the absence of the other directors, pursuant to Article 2, Recommendation 5 of the Corporate Governance Code.

The Board of Statutory Auditors verified the correct use of the criteria and procedures adopted by the Board to assess the independence of its members.

The Board of Directors in the meeting held on November 11, 2021, decided not to define ex-ante (and therefore not to apply the relevant provision of art. 2, Recommendation 7 of the Corporate Governance Code) the quantitative and qualitative criteria for assessing the significance (i) of commercial, financial or professional relationships and (ii) additional compensation, that are relevant for assessing the independence of its members. The Company decided not to define ex-ante fixed and predetermined quantitative and qualitative criteria in order to give prevalence to substance over form and assess the individual situation on a case-by-case basis, taking into account the relevant circumstances of the particular case. The adjustment would not have had a concrete application impact, since there are no significant commercial, financial and professional relationships between the Issuer, Company's subsidiaries and/or parent companies and independent directors. Furthermore, independent directors do not receive an additional remuneration other than the fixed remuneration for the office held and for serving in the committees.

Lead Independent Director

The Board of Directors meeting on April 29, 2022 appointed Mr. André Michel Ballester as Lead Independent Director.

The Lead Independent Director represents a reference and coordination point for the requests and contributions of Non-executive Directors and Independent Directors and, pursuant to Art. 3, Recommendation 14, let. b) of the Corporate Governance Code, coordinates the meetings of Independent Directors only.

The appointment of the Lead Independent Director was one of the requirements for companies listed in the STAR segment of Borsa Italiana. This office was kept also after the Company submitted a request of voluntary exclusion from the STAR segment (thereby annulling the requirement mentioned above).

The Lead Independent Director convened the annual meeting (held on March 12, 2024) of Independent Directors to verify that the independence requirements were still met.

5. MANAGEMENT OF CORPORATE INFORMATION

With regard to the management of inside information, the Issuer's Board of Directors adopted the initiatives and/or procedures summarized below, in order to monitor access to and circulation of inside information prior to their disclosure to the public and ensure compliance with confidentiality obligations envisaged in the provisions of laws and regulations.

On July 3, 2016, the "Regulatory technical standards" by MAR and "Implementing technical standards" by ESMA (European Securities and Markets Authority) approved by the European Commission in order to reflect the new rules and regulations on Market Abuse within the European Union came into force. Thus, on August 4, 2016, the Company adopted new procedures that were subsequently updated in 2019. The Company updated the "Procedure for the Internal Management of Relevant Information and Inside Information and Public Disclosure of Inside Information" and the " Procedure to manage the Register of persons having access to Relevant Information and Inside Information" in 2020.

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

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

The Procedure was amended by the Board:

- on December 21, 2020 in order to set up, pursuant to the recommendations of CONSOB Guidelines, a register of persons having access to relevant information, the so-called "Relevant Information List" with the aim of tracking the stages before the disclosure of inside information, by identifying and monitoring those types of information that the Issuer deems to be relevant such as data, events, projects or circumstances that may -at a future day- become inside information;
- on July 27, 2023, in order to constantly update and improve the company's internal procedures and update the mapping of persons who are required to report any information that the IIMF may regard as relevant or inside information and formalizing the analysis of information (even if at the end of the analysis such information does not fall within relevant or inside information) through a form that shall be filled in and filed.

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

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

The Procedure currently in force is available on the Issuer's website (Section Group/Governance/ Governance Documents/Procedures).

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

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

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

The Procedure currently in force is available on the Issuer's website (Section Group / Governance / Governance Documents / Procedures).

Procedure to comply with Internal Dealing requirements

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

The Board updated the Procedure:

- on March 14, 2019 in order to reflect, among other things, the amendments made by Consob to the Issuers' Regulation by resolution no. 19925 of 22 March 2017 and take into account amendments to TUF introduced by Legislative Decree no. 107/2018;
- on July 27, 2023 in order to comply with best practices and enable relevant parties to examine the Procedure in a more effective and easier manner.

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

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

6. BOARD OF DIRECTORS' INTERNAL COMMITTEES (pursuant to art 123-bis, paragraph 2, letter d), TUF)

By a resolution dated April 29, 2022, the Board of Directors appointed internally the following Committees:

Control, Risk and Sustainability Committee	Andrè Michel Ballester (Chairman) Franco Moscetti Roberta Somati
Remuneration and Nominating Committee	Roberta Somati (Chairman) Giancarlo Boschetti Giovanna Pacchiana Parravicini
Committee for Related-Party Transactions	Roberta Somati (Chairman) André Michel Ballester Giovanna Pacchiana Parravicini

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

Functions, tasks, resources and activities are provided in the following Sections of this Report.

7. SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS - REMUNERATION AND NOMINATING COMMITTEE

7.1. SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS

Self-assessment of the Board of Directors and its Committees.

Although Diasorin pursuant to art. 4, Recommendation no. 22 of the CG Code can conduct the board's self-assessment on a three-year basis - the Board decided to continue to carry it out on an annual basis in order to periodically assess the effectiveness of its activity and the contribution of its Committees.

In 2022, in view of the renewal of corporate bodies during the Shareholders' Meeting called to approve the financial statements at December 31, 2021 - the Board carried out a self-assessment process on the size, composition and functioning of the Board and its committees. On March 16, 2022 the Board approved, upon proposal of the RN Committee and taking into account the self-assessment outcomes, the guidelines of the outgoing Board about managerial and professional figures whose presence is deemed to be appropriate within the future Company's Board, also in relation to the Maximum number of Offices and the diversity policy in the composition of the Board of Directors and, thus, diversity criteria such as gender, managerial and professional, also international, skills, and age.

Since the Issuer qualifies as a Concentrated Ownership Company, and therefore is not subject to the Recommendation 23 of the GC Code, the guidelines of the outgoing Board have been included in the explanatory report prepared pursuant to art. 125-ter of the TUF concerning the appointment of the Board of Directors by the Shareholders' Meeting called to approve the financial statements at December 31, 2021. Shareholders filing a slate took into account the guidelines expressed by the outgoing Board and complied with the related recommendations.

At the beginning of 2024, the Board renewed its self-assessment process on the size, composition and functioning of the Board and its Committees.

The RN Committee assisted the Board and the Chairman of the Board of Directors in ensuring that the process is adequate and transparent and, more generally, supported the Board in the self-assessment process, supervising the preparation of the questionnaire (also through prior examination and sharing the questionnaire in the meeting of the RN Committee held on February 1, 2024) and examining the findings received in order to support the Board in setting forth guidelines on the qualitative and quantitative composition deemed to be optimal.

In the self-assessment process, the Board took into account, among other things, the recommendations contained in the annual letter of the Chairman of the Corporate Governance Committee.

The process involved all the directors and was performed through a questionnaire filled out anonymously, broken down into different areas of investigation and with the possibility of providing comments and proposals, including the following items:

(i) size, composition and functioning of the Board, also in relation to diversity profiles;

(ii) size, composition and functioning of the Board's Committees;

(iii) communication between the Board of Directors and Top Management - Induction Programme;

(iv) Corporate Governance and Risks Management;

(v) Number and role of Independent Directors.

The outcomes of the self-assessment carried out at the beginning of 2024 (relating to 2024) were examined by the Remuneration and Nominating Committee on March 8, 2024 and discussed during the meeting held on March 15, 2024. In particular, this self-assessment confirmed a general satisfaction with the functioning and activities of the Board of Directors and its Committees, as already highlighted in the self-assessment process carried out in previous years.

The self-assessment overall shows a high level of satisfaction and confirms that the functioning of the Board and of the Board's committees are proportionate to the Company's size and needs.

Despite the self-assessment was positively evaluated, it highlighted some areas where an improvement is achievable. The attention was focused on the role of the Board of Directors in promoting dialogue with shareholders and other stakeholders; the role of independent directors in taking and monitoring resolutions; the number of meetings held to be proportionate to the amount and type of items on the agenda; the method for succession of Executive Directors.

Succession plans of Executive Directors

Pursuant to Article 4, Recommendation 24 of the Corporate Governance Code, the Board of Directors, during the meeting held on December 20, 2018, approved a proposal concerning the Chief Executive Officer's succession plan, following the appropriate assessments made by the RN Committee in its area of competence. According to this proposal, if the Board of Directors does not identify a candidate within the Diasorin Group, powers will be conferred to the Chairman for this purpose. The Chairman, with the necessary operating powers to address and coordinate the company management and with support, if necessary, of a Top executives committee, shall implement and manage the process to select candidates outside the Diasorin Group.

The Board of Directors at the meeting held on December 16, 2021, approved a similar proposal concerning the remaining Executive Directors' succession plan, following the appropriate assessments made by the RN Committee in its area of competence. This procedure provided for granting (i) a proxy to the Chief Executive Officer for the interim management of the matters for which the Chief Executive Officer is responsible;(ii) a proxy to the Chief Executive Officer to be exercised along with the Chairman for the identification of a successor by making use of an internal pipeline or, alternatively, by starting a selection process outside the Group. In the event the above powers are exercised, it will be necessary to promptly inform the RN Committee and maintain adequate information flows on the selection process.

7.2 REMUNERATION AND NOMINATING COMMITTEE

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

Functions of the RN Committee were formalized on December 16, 2021 in the new " *Regulation of the Remuneration and Nominating Committee*" ("**Regulation of the RN Committee**") that was subsequently approved by the Board of Directors. The Regulation grants consulting and advisory functions to the Committee, as provided for by the CG Code with regard to nomination and remuneration.

<u>Functions of the Remuneration Committee</u>

- assisting the Board in the formulation of the remuneration policy;
- submitting proposals or expressing opinions on compensation of executive directors and of all other directors who perform special tasks and setting performance objectives associated with the variable component of such compensation;
- monitoring the concrete application of the remuneration policy and verifying, more specifically, the actual achievement of performance objectives;

- periodically assessing the appropriateness and overall coherence of the general compensation policy of directors and top management;

Pursuant to art. 5, Recommendation 26 of the Corporate Governance Code, Directors shall not participate in the RN Committee meetings where proposals are submitted to the Board concerning their remuneration.

Functions of the Nominating Committee

Assisting the Board in the following:

- self-assessing the Board of Directors and its committees;
- defining the optimal composition of the Board of Directors and its committees;
- identifying candidates for the office of directors to be coopted;
- assisting the outgoing Board of Directors in the submission of slates of candidates, so as to ensure a transparent composition and presentation;
- preparing, updating and implementing any succession plan for the Chief Executive Officer and other executive directors.

Composition and functioning of the Remuneration and Nominating Committee (pursuant to art. 123-*bis*, paragraph 2, letter d), TUF).

On April 29, 2022, the Board appointed as members of the RN Committee the following directors: Roberta Somati (Independent Director) who serves also as Chairman, Giovanna Pacchiana Parravicini (Independent Director) and Giancarlo Boschetti (Non-Executive Director). Pursuant to Article 5, Recommendation 26 of the Corporate Governance Code, all members of the RN Committee have proper knowledge and expertise in finance or compensation policies, as assessed by the Board of Directors at the time of their appointment.

In 2023, the RN Committee met on January 25, 2023, March 14, 2023, April 21, 2023, June 7, 2023, and October 27, 2023. During the meeting the Committee, among other things:

- examined the questionnaire for the self-assessment of the Board and provided recommendations on defining and accounting for variable remuneration;
- approved the draft of the Report on remuneration and fees paid in 2022;
- -examined the proposal to update the remuneration benchmark of certain Executives with Strategic Responsibilities, formulating, where deemed appropriate, proposals for the adjustment of the remuneration packages.
- examined an internal procedure for the determination of the ESG objectives of the short-term variable component (MBO) of the remuneration of Directors with Strategic Responsibilities.

Further details are provided in Section I and Section II of the Report on the Remuneration policy and fees paid, published pursuant to article 123-*ter* TUF on the Issuer’s website (Section “Group/Governance/Shareholders’ Meetings /2024”).

In 2023, the RN Committee meetings were attended by members of the Board of Statutory Auditors and, upon invitation of the Chairman, by some corporate directors qualified to attend the meeting.

In addition to the meetings held on February 1 and March 8, no further meetings at the date of this Report are scheduled for 2024.

The frequency, average length, attendance at the meetings of the RN Committee are listed in Table 3 annexed to this Report, to which reference is made.

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

- the Chairman convenes the RN Committee at least three days before the date set for the meeting, except in cases of urgency for which twelve hours' notice is required;
- documents are made available at least two days before the meeting, except in cases of urgency;
- the Board of Statutory Auditors is entitled to attend the RN Committee meetings;

- the RN Committee appoints a Secretary, also external to the Committee, who is entrusted with the task of recording the meetings;
- the Chairman of the RN Committee may invite to individual meetings the Chairman of the Board of Directors, the Chief Executive Officer, other directors and representatives of corporate functions qualified to attend the meeting, as well as other parties whose contribution is deemed to be useful.

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

Although the RN Committee can make use of external consultants within the limits of a budget approved by the Board of Directors on a reasoned proposal of the Committee, in 2023 the Committee was not provided with financial resources ex-ante as it uses the Issuer's resources and company structures to discharge its duties.

8. REMUNERATION OF DIRECTORS

Information about (i) the Company policy for the remuneration of Directors and Executives with Strategic Responsibilities and (ii) fees paid in 2023 is provided in Section I and Section II of the Report on the Remuneration policy and fees paid published pursuant to art. 123-ter of the TUF on the Issuer's website (Section "Group/Governance /Shareholders' meeting /2024")

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

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

On December 19, 2012, the Board of Directors adopted the guidelines of the ICRMS (the "**Guidelines**"), last amended on August 3, 2022 to comply with the CG Code, identifying the main risks connected to the Company's activity. The Board of Directors is responsible for, among other things, (*i*) properly identifying, adequately measuring, monitoring, managing and assessing the risks in which the Company may incur, in accordance with the goal of protecting the corporate assets and consistent with the principles of sound management, including all the main risks that can have a major adverse impact on the Issuer's long-term sustainability and (*ii*) verifying on a regular basis (at least once a year) that the ICRMS is adequate, effective and functions correctly.

Pursuant to art. 2086 of the Italian civil code and art. 3 of Legislative Decree 14/2019 (the so-called Business crisis and Insolvency Code), the Board is also responsible for the implementation of adequate organizational structures also in view of the timely detection of the company crisis, and related measures in order to take action in a timely manner to overcome the crisis.

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

The ICRMS of the Issuer involves, each for its own part, the following corporate bodies:

- The Board of Directors has the function of directing and evaluating the adequacy of the ICRMS identifying, *inter alia*, within the Committee a (*i*) Control, Risk and Sustainability Committee that assists the Board of Directors comprised of non-executive Directors, the majority of whom is Independent, with a proper preliminary investigation and (*ii*) one or more Directors in charge of establishing and preserving an efficient ICRMS (i.e. the Chief Executive Officer, pursuant to the Corporate Governance Code);
- The Officer of the Internal Audit function, who is appointed by the Board of Directors upon proposal of the Chief Executive Officer, with the assent of the CRS Committee, has the function to verify the adequacy and efficiency of the ICRMS;
- The Board of Statutory Auditors has the function to verify the efficiency of the ICRMS;
- The Corporate Accounting Document Officer, pursuant to the art. 154-*bis* TUF;
- The Supervisory Body established pursuant Legislative Decree 231/2001.

With regard to the Guidelines, the Organizational and Management Model adopted by the Diasorin Group pursuant to Legislative Decree No. 231/2001 is taken into account.

The ICRMS applied to the financial reporting process adopted by the Diasorin Group was developed using as a reference model the COSO Report[2] , according to which the ICRMS, in the most general terms, can be defined as "*a process, effected by the Board of Directors, management and other personnel for the purpose of providing reasonable assurance regarding the achievement of objectives in the following categories: (i) design and effectiveness of operations;(ii) reliability of financial reporting; (iii) compliance with applicable laws and Regulation*".

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

Insofar as the financial reporting process is concerned, the corresponding objectives are the truthfulness, accuracy, reliability and timeliness of the financial reporting.

The Group, in defining its ICRMS for the financial reporting process, complied with the guidelines provided in this area in the following reference laws and regulations:

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

In addition, the reference components of the Group include among other things:

- the Group's Code of Ethics;
- the Organizational and Management Model Pursuant to Legislative Decree No. 231/2001, its Special Parts and related protocols;
- the Procedure to comply with Internal Dealing requirements*;*
- the Procedure for Related-Party Transactions;
- the Procedure for the Internal Management of Relevant Information and Inside Information and Public Disclosure of Inside Information;
- the Procedure to manage the Register of persons having access to Relevant Information and Inside Information;
- the System of delegated and proxy powers;
- the Organization chart and job description chart;
- the risk assessment Process applied to quantitative and qualitative risk analysis;
- the Accounting and Administrative Control System, which is comprised of a set of procedures and operational documents, including:
    - the Group Accounting Manual: document designed to promote the development and use within the Group of consistent accounting criteria for the recognition, classification and measurement of the results from operations;
    - Administrative and accounting procedures: documents that define responsibilities and control rules specifically with regard to administrative and accounting processes;
    - Financial statements and reporting instructions and closing schedules: documents used to communicate to the various Company departments the operational and detailed procedures for managing the activities required to prepare the financial statements by predetermined and shared deadlines;

- Technical User Manual for the Group Reporting System: document provided to all employees who are directly involved in the process of preparing and/or reviewing accounting reports, which explains how the Reporting System operates.

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

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

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

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

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

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

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

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

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

The assessment of the effectiveness and level of implementation of the administrative and accounting procedures and of the controls they contain is carried out through specific testing activities that are consistent with best industry practices.

Testing is carried out continuously throughout the year at the request of and in coordination with the Documents Officer, who uses his own organization and the Internal Auditing Department.

As part of the implementation process, the delegated governance bodies and the administrative managers of subsidiaries are required to provide the Documents Officer with an affidavit concerning tests performed to assess the effectiveness and level of implementation of the administrative and accounting procedures.

The Internal Auditing Officer prepares an "Audit Report" in which he provides an overview of the assessment of the controls established for the mapped risks. The assessment of controls results in the definition of supplemental controls, corrective actions or improvement plans to address any identified issues.

The Audit Reports produced during the year are communicated to the CRS Committee and relevant outcomes are communicated to the Board of Statutory Auditors and the Board of Directors of the Company.

The Internal Control System applied to the financial reporting process is overseen by the Documents Officer who, appointed by the Board of Directors, in concert with the Chief Executive Officer, is responsible for developing, implementing and approving the Accounting and Administrative Control Model and assessing its effectiveness, and is required to issue certifications of the annual financial statements (separate and consolidated) and the semiannual financial report (separate and consolidated). The Documents Officer is also responsible for establishing adequate administrative and accounting procedures for the production of statutory and consolidated financial statements and, with the support of the Internal Auditing Department, providing subsidiaries with guidelines for the implementation of appropriate activities to assess their Accounting Control Systems.

In the performance of his functions, the Documents Officer:

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

The Board of Statutory Auditors and the Supervisory Body are informed about the adequacy and reliability of the internal control system applied to financial reporting.

A detailed description of the main characteristics of the ICRMS applied to financial reporting, including consolidated financial statements, as required by article 123-*bis*, paragraph 2, letter b), of the TUF, is provided in the Report on the Company's Operations annexed to the statutory and consolidated financial statements.

9.1 CHIEF EXECUTIVE OFFICER

The Chief Executive Officer, pursuant to the Corporate Governance Code, is responsible for overseeing the effective implementation of the ICRMS by the Board of Directors, with the support of the CRS Committee.

The CEO working within and in accordance with the guidelines established by the Board of Directors, is responsible for:

- identifying corporate risks on the basis of the activities carried out by the Issuer and its subsidiaries and periodically submitting such risks to the attention of the Boards of Directors;
- implementing the Guidelines defined by the Board, taking care of the design, implementation and management of the Control System and constantly verifying its adequacy and effectiveness, as well as ensuring its adaptation to the dynamics of the operating conditions and the legislative and regulatory framework;
- promptly reporting to the CRS Committee on problems and critical issues which arise in conducting his activities or which he became aware of, so that the Committee may take suitable measures;
- in performing these tasks, the Chief Executive Officer may ask the Internal Auditing Office to carry out checks on specific operational areas and on compliance with internal rules and procedures when performing corporate operation and notifying, at the same time, the Chairman of the Board, the Chairman of the CRS Committee and the Chairman of the Board of Statutory Auditors. In 2023, there was no need to exercise such power.

On April 29, 2022, the Board of Directors of the Issuer confirmed Mr. Carlo Rosa, Chief Executive Officer and General Manager of the Company, as "Chief Executive Officer" for the purposes of the ICRMS. Mr. Carlo Rosa had been previously appointed as "Designated Officer" pursuant to the previous Corporate Governance Code of listed companies approved in July 2018 by the Corporate Governance Committee at the time in force.

In 2023, the CEO:

- was responsible for the identification of the main business risks (strategic, operational, financial and compliance), taking into account the characteristics of the activities carried out by the Issuer and its subsidiaries, and periodically submitted them to the Board for examination;
- implemented the Guidelines defined by the Board of Directors, taking care of the planning, realization and management of the ICRMS and constantly verifying the system's overall adequacy, effectiveness and efficiency and the need for any adjustments;
- updated the system in response to changes in the operating conditions and in the relevant regulatory framework;
- attended the meetings of the CRS Committee;
- did not deemed it necessary to request interventions from the Internal Audit Officer or to report to the CRS Committee on specific issues since no problems or critical issues required such disclosure.

9.2. CONTROL, RISK AND SUSTAINABILITY COMMITTEE

Following the renewal of corporate bodies on April 29, 2022, and in compliance with art. 3, Recommendation 16 of the CG Code, the Board of Directors resolved - on the same date- to assign the "Control, Risk and Sustainability Committee" the task of supervising sustainability issues connected to the corporate activities and to interactions with its stakeholders.

Functions of the CRS Committee had been updated on December 16, 2021 with the adoption of the new "*Regulation of the Control, Risk and Sustainability Committee*" ("**Regulation of the CRS Committee**").

Functions concerning internal control and risk management

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

- assesses, together with the Documents Officer, the Independent Auditors and the Board of Statutory Auditors, the proper application of accounting standards and their uniformity for the purpose of drawing up the consolidated financial statements;
- assesses that regular financial and non-financial reporting is suited to properly represent the Company's business model and strategies and the impact of Company's activity and the performance achieved;
- examines the content of the periodic non-financial disclosure relevant to the ICRMS;
- expresses its opinions on specific aspects relating to the identification of the main business risks and supports the assessments and decisions of the Board concerning the risk management arising from prejudicial events which the latter has become aware of;
- assesses regular reports and those of particular relevance prepared by the Internal Audit function;
- monitors the independence, adequacy, efficacy and efficiency of the Internal Audit function;
- may entrust the Internal Audit function with carrying out audits on specific operating areas, simultaneously notifying the Chairman of the Board of Statutory Auditors;
- reports to the Board of Directors, at least every six months, on the approval of the annual and semi-annual financial statements, the activities carried out and the adequacy of the ICRMS;
- performs any additional tasks that the Board of Directors may choose to assign to the CRS Committee, with particular reference to interactions with the Independent Auditors, the activities of the Supervisory Body pursuant to Legislative Decree No. 231/2001, and to the functions involved in related-party transactions;

Functions concerning sustainability

- supports the Board in the analysis of relevant issues for the generation of long-term value on the occasion of the examination and approval of the business plan of the Company and of the Group it heads;

- has the function to provide consultation and make proposals to the Board of Directors on sustainability issues; it has the task of supervising sustainability issues connected to corporate activities and interactions with its stakeholders.

Among other things, it has the task of:

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

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

Pursuant to Article 6, Recommendation 37 of the Corporate Governance Code, the CRS Committee and the Board of Statutory Auditors promptly exchange information that is relevant to the performance of their respective tasks.

The CRS Committee may also request specific interventions from the Internal Audit function. In this regard, the Committee did not exercise this power in 2023.

During the year, the CRS Committee steadily carried out its audits on the correct and timely application of the guidelines and the effective management of the ICRMS and the internal control and risk management system of the subsidiaries.

In 2023, during the meeting held on March 27, 2023, the CRS Committee - as required pursuant to Article 6, Recc. 35, lett. h) of the Corporate Governance Code - reported to the Board of Directors on the activities it carried out, on the outcomes of its audits and on the effectiveness of the Internal Control and Risk Management System, highlighting how the system proved to be consistent with the size and organizational and operational structure of the Issuer. The last meeting held to report to the Board of Directors on the activities and adequacy of the ICRMS was on March 15, 2024.

In 2023, the CRS Committee:

- supported the Board in performing the tasks concerning internal control and risk management;
- assessed the correct use of the accounting principles and their homogeneity for the purposes of preparing the financial statements;
- assessed that regular financial and non-financial reporting was suited to properly represent the Issuer's business model and strategies;
- examined the content of regular non-financial information that is relevant to the ICRMS;
- examined the regular reports prepared by the internal audit function;
- monitored the autonomy, adequacy, efficiency and effectiveness of the Internal Audit function;
- during the examination of the 2024-2027 Business Plan (the "Business Plan") approved by the Board of Directors on December 15, 2023, the CRS Committee had the task of carrying out the analyses that fall within its remit, also in the light of the objectives of the 2023-2025 ESG Plan approved by the Board of Directors on December 1, 2022 after consulting the CRS Committee. The Committee provided its contribution formulating comments on the Business Plan and expressed a favorable opinion for its approval by the Board on December 11, 2023.

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

The CRS Committee is composed of non-executive Directors, the majority of its members being independent Directors, including the Chairman; the Board of April 29, 2022 resolved the CRS Committee to be composed of Directors André Michel Ballester (Independent Director) as Chairman, Roberta Somati (Independent Director) and Franco Moscetti (Non- executive Director), who have significant expertise in accounting, finance and risks management.

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

In 2023, the CRS Committee met on March 3, 2023, July 24, 2023, and December 11, 2023.

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

In 2023, meetings of the CRS Committee were attended by members of the Board of Statutory Auditors and, upon request of the Chairman, certain company's directors such as the Chief Executive Officer, the Document Officer, the Internal Audit Officer and other company's directors qualified to attend the meeting.

The Board, during the meeting held on December 16, 2021, approved the Regulation of the CRS Committee providing, among others, that:

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

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

During the Shareholders' Meeting held on April 29, 2022, the Board of Directors resolved to provide financial resources of € 50,000,00 thousand to the CRS Committee to perform its activities.

9.3 INTERNAL AUDIT OFFICER

The Board of Directors appointed the Internal Audit Officer as the person in charge of verifying that the ICRMS is functional and suited to and coherent with the guidelines defined by the Board.

During the Board meeting held on December 19, 2019, the Board of Directors on the input of the Designated Officer (now Chief Executive Officer) and following the favorable opinion of the CRS Committee and of the Statutory Auditors, appointed Mr. Francesco Mongelli to the office of Internal Audit Officer, with effect as of

January 1, 2020. The Internal Audit Officer was entrusted with tasks and responsibilities contained in the Code and detailed in the Guidelines.

Pursuant to the CG Code, the Board of Directors, with the support of the CRS Committee has the task of providing the Internal Audit Officer with adequate resources to perform his tasks and of defining his compensation, in line with the company's policy.

The Internal Audit Officer, who is not responsible for any operational area, is hierarchically dependent from the Board:

- verifies, both on an ongoing basis and in relation to specific needs, and in compliance with international standards, the operation and suitability of the ICRMS, through an audit plan, which is approved by the Board of Directors annually and shared with the CRS Committee and is based on a structured process of analysis and prioritization of the main risks;
- has direct access to all information useful to carry out his duty;
- draws up regular reports containing adequate information on his activity, the procedures governing risk management, as well as on compliance with the plans defined for the mitigation of such risk. Regular reports also contain an assessment of the adequacy of the ICRMS;
- prepares timely reports on events of particular importance;
- conveys the abovementioned reports to the Chairmen of the Board of Statutory Auditors, the CRS Committee, and of the Board of Directors and to the Chief Executive Officer;
- verifying, as part of the audit plan, the reliability of the IT systems, including the accounts systems.

As from January 1, 2013, the Internal Audit Officer's work-plan is approved on annual basis by the Board of Directors, after receiving a favorable opinion from the Board of Statutory Auditors and the Chief Executive Officer; the 2022 Audit Plan was approved during the meeting held on March 16, 2022 and the 2023 Audit Plan was subject to approval on March 20, 2023. At least once every six months, the Internal Audit Officer reports the outcomes of the audits to the Board of Directors, the Chief Executive Officer, the CRS Committee and the Board of Statutory Auditors.

In compliance with his duties, in 2023 the Internal Audit Officer carried out his activity by preparing and submitting an annual plan, including the audit results, to the Board of Statutory Auditors and CRS Committee.

In 2023, the Internal Audit Officer carried out all the activities of his annual work-plan, reporting to the CRS Committee during the meetings held on March 23 and July 27, 2023 and to the Board of Directors during the meeting held on March 27, 2023. The Internal Audit Officer reported to the CRS Committee and to the Board of Directors again on March 15, 2024.

9.4 CODE OF ETHICS AND ORGANIZATIONAL MODEL pursuant to Legislative Decree no. 231/2001

The Group's Code of Ethics.

On December 18, 2006, the Issuer approved and implemented its "Group's Code of Ethics ("the **Code of Ethics**"), with the aim of providing all employees with common consistent rules of conduct and defining their rights and obligations, as they apply to the performance of any activity that may affect the Issuer's interests. The Code of Ethics sets forth the general principles that define the values that underpin the Issuer's operations and it has been currently adopted by all Diasorin Group's companies.

On December 19, 2016, the Board of Directors approved a new edition of the Code of Ethics, in compliance with the new MedTech Code of Ethics.
The update was carried out following the release of a new Code of Ethics drafted by MedTech Europe, an association representing the European IVD industry through EDMA-European Diagnostic Manufacturers Association; DiaSorin S.p.A., as a member of EDMA, was required to adopt by the end of 2016 the new MedTech Code of Ethics' provisions having an impact on the sections of the Diasorin Group's Code of Ethics

referred to the relationship with healthcare professionals and healthcare organizations. Briefly, the Code was amended to introduce a new section called "*Relationship with Healthcare Professionals and Healthcare Organizations*" providing a series of principles and provisions regulating relationships with the abovementioned counterparties, to safeguard medical-scientific sector and create transparent and free of any commercial interest interactions.

The Code of Ethics currently in force is available on the Issuer's website (Section Group /Governance / Governance Documents / Code of Ethics and Model 231).

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

The Board of Directors, in order to ensure the fairness and transparency of all its business transactions and corporate activities, to meet the expectations of its shareholders and to protect the Company's position and image, together with the work of its employees, adopted and implemented the organizational model (the "**Model**") required by Legislative Decree No. 231/2001, which can exempt the Company from liability for crimes committed by its employees in apical positions.

The Model was developed taking into account the provisions of the Decree 231/2001 and the guidelines provided by Confindustria.

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

Subsequently, the Board of Director agreed to amend the Model, adding "Special Section E" that deals with certain issues as referred to in Legislative Decree No. 121/2011 concerning environmental crimes, and successively the Board of Directors agreed to update Special Section "A" (Offences against the Public Administration) and Special Section "B", and added Special Section "F" (Employment of workers from non-EU countries) and, lastly, on November 11, 2015 to update Special Section "E" following the introduction of new alleged environmental crimes included in the provisions of Legislative Decree No. 231/2001.

In 2017, the Supervisory Body carried out a regulatory adjustment on the Special Sections "B" and "C" of the 231 Model following the entry into force of Legislative Decree 38/2017 aimed at reinforcing the fight against corruption in the private sector and of MAR, providing new provisions on Market Abuse, respectively, in addition to mapping the risks concerning the Special Sections "A" and "B", following the reorganization of some functional areas included in the abovementioned mapping that led to a change in the allocation of tasks and responsibilities. The Oversight Board promoted a series of training sessions concerning responsibility issues, pursuant to Legislative Decree 231/2001 to support sales force in Italy and Global Procurement and Supply Chain Functions.

In 2019, the Board of Directors resolved to amend the Model with (i) the implementation of an IT system for whistleblowing complaints received on violations and breaches of the Model, ensuring anonymity of the whistleblower (in accordance with the provisions of Legislative Decree no. 179/2017) – the so-called Whistleblowing (fully operational from June 30, 2019) and (ii) the introduction of a new Special Section ("Special Section G") – and related operating protocols – concerning crimes of receiving stolen goods, use of illegally-obtained money, goods or other benefits, money laundering and self-laundering *(*as referred to in article 25-*octies* of Legislative Decree 231/2001).

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

At the meeting held on May 14, 2021, the Board approved the amendment to the General Section of the Model in order to promote an in-depth analysis of the Supervisory Body's functions and roles and strengthen information flows for the benefit of the Supervisory Body.

Finally, on August 3, 2022, the Board approved the amendment to the Special Sections and, in particular, to risk mappings, also in relation to the introduction of additional predicate offences as a result of the transposition into Italian law of Directive (EU) 2017/1371 (so-called PIF Directive). More generally, in the light of the new organizational structures due to the expansion of the business scope, the Company needed to update and adjust its Organization Model pursuant to Legislative Decree 231/2001, taking into account the indications required by case law, regulations and best practices in order to align the Model with the company structure and processes. Therefore, the new Organizational Model was divided into decision protocols to prevent risks of committing the crimes that may be identified across corporate processes, thus replacing the previous structure that was broken down by types of offences.

The update of the Model took into account changes occurred in the Company's organizational structure due to redefinition of the corporate structure announced to the market on December 16, 2021 and became effective on July 1, 2022.

On July 15, 2023, the Issuer adopted a Whistleblowing Procedure in accordance with Legislative Decree 24/2023 and activated a new whistleblowing channel equipped with all the necessary technical features.

In October 2023, the company began to update the risk assessment document of the Model in light of the new predicate offences introduced by Legislative decree 105/2023 regarding disturbed freedom of enchantments, disturbed freedom to choose a contractor and fraudulent transfer of values.

At the end of the reporting period, the Model (whose extract is available on the Issuer's website (Section "Group/Governance/ Governance Documents/Code of Ethics and Model 231") includes:

- "General Section": includes the description (i) of the regulatory framework, (ii) the governance and organizational structure adopted by Diasorin for preventing the commission of predicate offences, (iii) the purposes of the Model, (iv) the requirements and tasks of the Supervisory Body (see below), (v) the disciplinary measures adopted by the Company in case of non- compliance with the measures set out in the Model and (vi) the training and communication plan to ensure an accurate knowledge and awareness of the provisions of the Model by all the persons who must observe them.
- "Special Section" is composed by the following 21 decision-making Protocols:

  1. Management of marketing events
  2. Management of gifts, pro bono and sponsorship
  3. Reimbursement of expenses and representation allowances
  4. Procurement of goods and services
  5. Consultancy and professional services
  6. Request for and management of funding, incentives and public contributions
  7. Relations and compliance with the Public Administration and Supervisory Bodies
  8. Institutional relations
  9. Monetary and financial flows
  10. Management of investments (equity investments, securities and extraordinary transactions)
  11. Management of accounts, financial statements and shareholder' equity transactions
  12. Management of tax compliance;
  13. Management of cybersecurity
  14. Selection, hiring and management of personnel
  15. Litigation, criminal proceedings and settlement agreements
  16. Relations with shareholders and corporate bodies
  17. Management of conflicts of interest and related-party transactions;
  18. Management of inside information and internal dealing;
  19. Management of external communication;
  20. Health and safety compliance.
  21. Intercompany transactions.

The Supervisory Body pursuant to Legislative Decree 231/2001

The Supervisory Body, in office until its revocation, includes in its collective form the following members: Mr. Ezio Maria Simonelli (external member) appointed as member on May 13, 2021 and as Chairman on July, 30, 2021, Mr. Matteo Michele Sutera (Statutory Auditors) appointed on July 30, 2021 and Mr. Ulisse Spada as a Corporate V.P. General Counsel, in the light of the provisions of Article 6. Recc. 33 lett. e) of the Corporate Governance Code, according to which the Board of Directors may decide to appoint the Head of the Legal Department as member of the Supervisory Board in order to ensure cooperation between the various parties involved in the ICRMS. The Supervisory Body is responsible for ensuring that the Model is functioning correctly, is effective and is being complied with, and for recommending updates to the model and Company procedures, when appropriate. To this end, on March 15, 2024, the Board of Directors resolved to provide the Supervisory Body with financial resources amounting to € 50,000,000 for the year ended December 31, 2024, confirming the same budget provided in the previous year.

Every six months, the Supervisory Body submits to the Board of Directors the results of its activity. The last meeting was held on March 15, 2024.

9.5 INDEPENDENT AUDITORS

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

On March 15, 2024, the Board of Directors approved in agreement with the Board of Statutory Auditors the proposal to bring forward the selection of a new auditing company for the 2025-2033 period, submitting its appointment to the Shareholders' Meeting called to approved the financial statements at December 31, 2023.

9.6 CORPORATE ACCOUNTING DOCUMENTS OFFICER

Pursuant to Article 15 of the By-Laws, the Board of Directors, which is required to act with the mandatory input of the Board of Statutory Auditors, has jurisdiction over the appointment and dismissal of the Documents Officer and over the determination of his compensation. The Documents Officer must meet the integrity requirements of the relevant statutes currently in force for those who perform administrative and management functions, as well as professional requirements that include specific expertise in administrative and accounting issues. Expertise in these areas must be verified by the Board of Directors and must be the result of work performed in a position of sufficiently high responsibility for an adequate length of time.

On April 28, 2016, the Board of Directors of the Issuer appointed Mr. Piergiorgio Pedron (Head of the Accounting, Finance and Control Department of the Issuer) to the office of Documents Officer, for an unlimited time, after verifying compliance with the requirements of integrity and professional expertise and taking into account the favorable opinion of the Board of Statutory Auditors, granting him the powers required pursuant to Article 154-*bis* of the TUF, and specifically:

- accessing all the information deemed necessary to fulfill his tasks, both within the Company and other Group companies, with the authority to view all documents relating to the drafting of the accounting and corporate records of Diasorin and other Group companies, with further authority to request clarifications to all subjects involved in the formation of the accounting records of Diasorin and of the Group;
- attending, without participating, meetings of the Board of Directors;
- authority to dialogue with the CRS Committee;
- approving corporate procedures, when these have an impact on the financial statements, the consolidated financial statements or documents subject to the issue of a statement attesting their truthfulness;
- participating in the development of information systems that have an impact on the economic and financial situation of the Company;

- setting up an adequate (in terms of number and professional level of resources) structure to carry out his tasks, using available internal resources and, where necessary, outsourcing them;
- employing internal audit resources to map processes and in carrying out specific controls, in a client/supplier environment and in the event the resources needed are not present internally, the power to outsource them;
- using the Company's information systems for control purposes.
- approving and signing all documents referred to his function and/or for which his certification is required, according to the relevant regulation.

The Board acknowledges that the annual remuneration of Mr. Pedron for the office of Accounting Document Officer, pursuant to art. 154-*bis* of the TUF, is to be understood as included in the annual remuneration received as director of the Company.

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

The Company has assigned the function of coordinating parties involved in the ICRMS– to the Board of Directors, which carries out such activity through the Chief Executive Officer. Such function was duly and regularly performed in 2023.
In particular, the Company analytically has identified in its Guidelines the activities carried out by parties involved in the ICRMS, determining concrete procedures for coordination in order to make activities of each party more efficient. Specifically, the meetings of the CRS Committee are attended by members of the Board of Statutory Auditors, as well as the directors that are mostly directly involved in the management of corporate risks (particularly the Internal Audit Officer) and by the Chief Executive Officer for the purposes of the ICRMS.
Pursuant to Article 6, Recommendation 37 of the Corporate Governance Code, the CRS Committee and the Board of Statutory Auditors promptly exchange information useful for the performance of their respective duties.
The CRS Committee reports to the Board of Directors (at least semiannually) on the activity carried out, as well as on the adequacy of the ICRMS. As for the Supervisory Body, its coordination with the other parties involved is fully ensured by the presence of a member of the Board of Statutory Auditors and of the General Counsel, as members of the Supervisory Body. Finally, the Board of Statutory Auditors during its quarterly audits meets periodically the Documents Officer, the Independent Auditors and all the company functions involved in processes and procedures that require to be specifically verified by the Board itself, including those relating to the ICRMS.
On March 27, 2023, the Board of Directors, in compliance with the provisions of art. 6, Recommendation 33, of the Corporate Governance Code, after consulting the Internal Audit function, the CRS Committee and the Supervisory Body expressed an
opinion on the adequacy of the ICRMS, including the methods of coordination between the various parties involved in the system.

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

10.1 INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES

As far as related-party transactions are concerned, the Issuer's Board of Directors adopted a Procedure for Related-Party Transactions and established a Committee for such transactions.

The Board of Directors adopted the Procedure for Related-Party Transactions on November 5, 2010, in accordance with Consob Regulation in force at that date. The Procedure, which entered into force on January 1, 2011, was last amended:

- by the Board of Directors on March 14, 2019 following approval from the Committee for Related-Party Transactions on February 27, 2019, in order to, among other things, take into account that from the date on which 2017 consolidated data were approved, the Company is no longer qualified as "small sized company" pursuant to art. 3, paragraph 1, lett. f) of the Consob Related-Party Regulation;
- by the Board of Directors on May 14, 2021, following approval from the Committee for Related-Party Transactions, in order to adjust it to the amendments made to the Consob Regulation on Related-Party Transactions and Consob Market Regulation by Consob Resolution no. 21624 of 10 December 2020 implementing, also at secondary legislation level, the contents of Directive (EU) 2017/828, the so-called "Shareholders' Right Directive II"

The updated Procedure for Related-Party Transactions is published pursuant to Consob Regulation on Related-Party Transactions on the Issuer's website (Section Group / Governance / Governance documents / Procedures). The list of the Company's Related Parties is updated at any time, if necessary, and revised on an annual basis and shared with the Committee for Related-Party Transactions.

Pursuant to the Procedure, Directors who have a vested interest in a transaction must provide in a timely manner full information regarding the existence of a vested interest and the circumstances of the same to the Board of Directors, evaluating on a case-by-case basis the opportunity of leaving the meeting at the time at which the resolution is taken and to abstain from voting on the matter. In case the vested interest is held by a Chief Executive Officer, the same abstains from carrying out the transaction. In such cases, the resolutions of the Board of Directors will motivate adequately the reasons and interest of the Company to carry out the transaction.
Consistently with its regulation, the Board of Directors assesses the most appropriate decision should the directors' presence be needed to maintain the necessary quorum.

10.2 COMMITTEE FOR RELATED-PARTY TRANSACTIONS

The Board of April 29,2022 appointed the following independent directors as members of the Committee for Related-Party Transactions: Roberta Somati (who serves as Chairman), André Michel Ballester and Giovanna Pacchiana Parravicini.
The frequency, average length, attendance at the Committee for Related-Party Transactions meetings are listed in Table 3 annexed to this Report.
The functioning of the Committee for Related-Party Transactions is governed, in addition to the applicable external law, by the Regulation approved by the Committee itself on December 16, 2021.
In 2023, the Committee for Related-Party Transactions met on April 17, 2023 and again on June 7, 2023 to express its opinion on certain Related-Party Transactions qualified as "*minor transactions*". The aforementioned meetings – whose proceedings were coordinated by the Chairman of the Committee – were recorded and the Chairman informed the Board of Directors during the first scheduled meeting.

11. The Board of Statutory Auditors

11.1 APPOINTMENT AND REPLACEMENT OF STATUTORY AUDITORS

Pursuant to Article 18 of the By-Laws, the Board of Statutory Auditors is comprised of 3 (three) Statutory Auditors and 2 (two) Alternates, who are elected for a three-year term of office and may be re-elected.

Statutory Auditors must meet the requirements of the relevant laws currently in force, also with regard to the limits on the number of offices they may hold. Specifically, in the areas of professional requirements, for the purposes of the provisions (when applicable) of Article 1, Section 3, of Ministerial Decree No. 162 of March 30, 2000, which makes reference to paragraph 2, Letters b) and c), of the abovementioned Article 1, it shall be understood that the expression "*subject matters closely related to the businesses in which the Issuer is engaged*" shall be understood to mean those related to the healthcare and medical industries.

The provisions of the Issuer's By-Laws (Article 18) governing the composition and the election of the Board of Statutory Auditors effectively ensure compliance with rules and Regulation concerning with provisions concerning rights of minority shareholders' rights, independence of Directors and gender balance.

As regards amendments introduced by Budget Law no. 160/2019 on gender balance as referred to in Article 148, Paragraph 1-*bis* of TUF[3], it should be noted that pursuant to art. 144-*undecies*.1, paragraph 3, of the Issuers' Regulation if the application of the gender distribution criterion does not result in a whole number of members of the Board of Directors and Board of Statutory Auditors belonging to the less represented gender, this number is rounded up to the next higher unit, with the exception of the corporate bodies made up of three members whose number is rounded down.

In this regard, the Shareholders' Meeting of April, 22, 2021 amended, among other things, article 18 of the By-Laws relating to the composition (in terms of gender balance) of slates filed with a number equal to or with more than 3 candidates in order to eliminate the reference to the previous quota of one third and require that the slates shall be composed of candidates belonging to both genders so that the first two candidates for the post of Statutory Auditor and the first two candidates for the post of Alternates belong to different genders.

The abovementioned rules have been applied upon the Shareholders' Meeting of April 29, 2022 which resolved to renew the Board of Statutory Auditors whose term of office ended with the approval of the annual report at December 31, 2021.

This paragraph provides details on the election of corporate bodies, in accordance with the statutory provisions currently in force.

The Board of Statutory Auditors is elected on the basis of slates of candidates filed by shareholders. Each shareholder, shareholders belonging to a shareholders' agreement that meet the requirements of Article 122 of the TUF, the Company's controlling party, its subsidiaries and joint ventures that qualify as such pursuant to Article 93 of the TUF may not file or participate in the filing, directly or through a third party or a nominee, of more than one slate and may not vote for multiple slates. Each candidate can be included on only one slate, on penalty of losing the right to be elected. Votes cast in violation of this requirement will not be attributed to any slate of candidates.

According to the By-Laws only shareholders who represent at least the percentage of the share capital required by the By-Laws for the submission of slates concerning the appointment of the members of the Board of Directors (and thus Shareholders who, individually or jointly, collectively own shares representing at least the percentage of share capital subscribed at the date the slate is filed, which is laid down and published by Consob, pursuant to Issuers' Regulation). In compliance with Art. 144-*septies*, paragraph 1, of the Consob Issuers' Regulation, for 2024 Consob established under the Management Decision of the Head of the

[3]Paragraph 1-*bis*, of art. 148, of the TUF in force at the date of this Report provides, among other things, that "*[the] Company's By-laws state, moreover, that the division of members pursuant to paragraph 1 shall be made in such a way that the less-represented gender shall obtain at least two fifths of the regular members of the Board of Statutory Auditors. This criterion shall apply for six consecutive mandates*".

Corporate Governance Division no. 92 of 31 January 2024 that the percentage of the share capital required to submit slates of candidates to allocate the Board of Directors and the Board of Statutory Auditors of Diasorin to be elected is equal to 1%.

Slates filed with a number equal to or with more than 3 candidates shall be composed by candidates belonging to both genders so that the first two candidates for the post of Statutory Auditor and the first two candidates for the post of Alternates belong to different genders.

Slates filed by shareholders must be deposited at the Company's registered office at least 25 (twenty-five) days prior to the date of the first calling of the Shareholders' Meeting, on penalty of becoming invalid, together with the documents required by the By-Laws, and specifically:

(i) Information identifying the shareholders who are filing the slates and showing the total percentage interest held;

(ii) An affidavit by the shareholders different from those who hold, jointly or individually, a controlling or relative majority interest attesting that they are not linked with the latter as a result of transactions such as those defined in the relevant laws and Regulation currently in force;

(iii) Detailed information about the candidates' backgrounds, affidavits by the candidates attesting that they meet statutory requirements and accept the nomination and listings of any management and control posts held by the candidates at other companies.

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

If the conditions set forth above are not complied with, the affected slate shall be treated as if it had never been filed.

The election system set forth in the By-Laws provides that, after the votes cast, directors will be elected as follows:

(a) to the post of Statutory Auditor and Chairman of the Board of Statutory Auditors the Statutory Auditor candidate listed first (1) in the slate that received the second highest number of votes and is not in any way linked, directly or indirectly, with the parties who filed the slate that received the highest number of votes;

(b) to the post of Statutory Auditor the candidates listed, respectively, first (1) and second (2) in the slate that received the highest number of votes; to the post of Alternate candidates who are listed first (1) in the slates that received the highest and second highest number of votes.

If two or more slates receive the same number of votes, a new balloting is held. If the outcome of the second balloting is still a tie, the slate filed by the shareholders controlling the largest equity interest or, failing that, the slate filed by the largest number of shareholders shall prevail.

If with the manner above described the composition of the Board of Statutory Auditors with reference to the Statutory Auditors, does not comply with the laws currently in force on gender balance, the necessary replacements, in consecutive order, with candidates running for the election as Statutory Auditors from the slate that received the highest number of votes shall be carried out.

If only one slate of candidates is filed, the Statutory Auditors and Alternates are elected from that slate, in compliance with the laws currently in force on gender balance.

If no slates are filed, the Shareholders' Meeting shall adopt the relevant resolutions with the majorities required pursuant to law, in compliance with the laws currently in force on gender balance.

If a Statutory Auditor needs to be replaced, he/she is replaced by an Alternate taken from the same slate as the Statutory Auditor who is being replaced. The Alternate thus elected will serve until the next Shareholders' Meeting.

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

The replacements procedure of the sections above shall comply with the laws currently in force on gender balance.

Additional information about the method used to elect the Board of Statutory Auditors is provided in Article 18 of the By-Laws.

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

The Board of Statutory Auditors performs the task and activities required pursuant to law. Moreover, Statutory Auditors, acting collectively or individually, may ask the Directors to provide information, clarify previous disclosures and, more in general, provide data about the Company's operating performance or specific transactions. They may also carry out at any time inspections and controls and request information pursuant to law.

Two members of the Board of Statutory Auditors acting jointly, have the right to convene a Shareholders' Meeting.

The Board of Statutory Auditors is required to meet at least once every 90 days. See Table 4 for further details on the meetings held.

In 2023, the Board of Statutory Auditors held 13 meetings. The average length of meetings was 2 hours 30 minutes.
The Board of Statutory Auditors of the Issuer was appointed by the ordinary Shareholders' Meeting of April 29, 2022, and its term of office will end upon the approval of the financial statements at December 31, 2024.

The Board of Statutory Auditors was appointed on the basis of two slates. The first slate was filed by IP Investimenti e Partecipazioni S.r.l., which certified its ownership of an equity interest equal to about 43.957% of the Company's common shares. The second slate was filed as minority list by a number of asset management companies representing their funds which certified their ownership of an overall equity interest equal to 0.691% of common shares.

Pursuant to the By-Laws, the Statutory Auditor candidate listed first in the slate that received the second highest number of votes (namely the slate presented by minority shareholders, receiving 16.998% of the voting capital) was elected to the post of Chairman of the Board of Statutory Auditors and Statutory Auditor. The candidates referred to in 1) and 2) listed in the slate that received the highest number of votes (and specifically from the slate filed by IP Investimenti e Partecipazioni S.r.l., receiving 81.691% of the Voting capital) were elected to the post of Statutory Auditors. Alternate candidates referred to in 1) listed in the slates presented by minority shareholders and by the reference shareholder were elected to the post of Alternates.

The composition of the Board of Statutory Auditors at the date of this Report is as follows:

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

Pursuant to Articles 144-*octies* and 144-*decies* of Consob Issuers' Regulation, the professional *curricula* of the Statutory Auditors and the Alternates are available at the Issuer's registered office and on the Issuer's website (Section "Group/Governance/Shareholders' Meeting /2022") as part of the application forms and relevant documents.

Functioning of the Board of Statutory Auditors

The Board of Statutory Auditors oversaw the independence of the Independent Auditors, verifying that the relevant legal requirements were met, as well as the nature and extent of the various auditing services carried out for the Company and its subsidiaries by the Independent Auditors and its network. The assessment for the year will be expressed in the report presented to the Shareholders' meeting that will approve the financial statements for the year ending December 31, 2023.

In performing its duties, the Board of Statutory Auditors worked with the Internal Audit function and with the CRS Committee, through constant exchange of information.

The Legislative Decree no. 39/2010, as last amended by the Legislative Decree no. 135/2016, attributed to the Board of Statutory Auditors the function of Internal Control and Audit Committee and it is in charge of:

- informing the Board of Directors of the results of the legal audit, transmitting the additional Report addressed to this Board in accordance with Article 11 of the Regulation 537/2014, accompanied by any comments;
- monitoring the financial reporting process and presenting recommendations or proposals to ensure its integrity;
- monitoring the effectiveness of the internal quality control and risk management systems of the company and, if applicable, of the internal audit, as regards the financial information of the audited entity, without violating its independence;
- monitoring the statutory audit of the financial statements and the consolidated financial statements, also taking into account any results and conclusions of the quality controls carried out by Consob pursuant to Art. 26, paragraph 6, of the Regulation 537/2014, where available;
- verifying and monitoring the independence of independent auditors or of the independent auditing firm according to Articles 10, 10-*bis*, 10-*ter*, 10-*quater* and 17 of Legislative Decree 39/2010 and Art. 6 of the Regulation 537/2014, in particular as regards the provision of adequate services other than auditing the Company, in accordance with art. 5 of said Regulation;
- carrying out any procedure aimed at selecting independent auditors or independent auditing firms and providing advice on independent auditors or on independent auditing firms to be appointed pursuant to Art. 16 of the Regulation 537/2014.

For more details on the activities carried out in 2023 by the Board of Statutory Auditors refer to the report on the audit activities of the Board of Statutory Auditors.

Diversity policy and criteria

On the occasion of the renewal of the Board of Statutory Auditors by the Shareholders' Meeting convened to approve the financial statements at December 31, 2021, the Board of Statutory Auditors approved - on March 8, 2022- the document annexed to the explanatory report prepared pursuant to art. 125-*ter* of the TUF and called " *Guidelines for Shareholders on the renewal of the Board of Statutory Auditors*" providing some guidelines for shareholders on the diversity policy applied to the composition of the Board of Statutory Auditors of the Company. This report is available on the Issuer's website (Section "Group/Governance/Shareholders' Meeting/2022".

As of the appointment of corporate bodies on April 22, 2013, up to their last renewal on April 29, 2022, the Issuer complied with regulations on gender balance concerning the composition of such corporate bodies.

The Board of Statutory Auditors currently in office at the date of this Report is composed of 1 man and 2 women, while as regards the Alternates, the Board is composed of 1 man and 1 woman (in office since 2013).

The Board of Statutory Auditors is composed of members belonging to the following age groups: two members belong to the 51-60 age group, while one member belongs to the 41-50 age group. Finally, both Alternates belong to the 41-50 age group.

All Statutory Auditors and one Alternate work as Chartered Accountants and Statutory Auditors; one Alternate works as a lawyer.

The Board of Directors in the meeting held on November 11, 2021 resolved to implement art. 2, principle VII, Recommendation 8 of the Corporate Governance Code providing for diversity criteria in the composition of the Board of Statutory Auditors to be included in the Explanatory report pursuant to art. 125-*ter* of TUF concerning the appointment of the new control body on the basis of the outcomes of the self-assessment process of the Board of Statutory Auditors.

Independence.

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

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

The Board of Statutory Auditors:

- verified the independence of its members on April 29, 2022, during the Shareholders' Meeting held to appoint the Board of Statutory Auditors. The outcome was disclosed to the public by press release on the same date;
- as regards the Statutory Auditor Ottavia Alfano, the Board of Statutory Auditors did not deem it necessary to apply the independent requirement provided for by the Recommendation n. 7, lett. e) of the CG Code which provides that director who has served on the board for more than nine years, even if not consecutive, of the last twelve years cannot be assessed as independent, as such director has a high level of professionalism and experience and there are no relations that may jeopardize, or appear to jeopardize, her independence of judgement and unbiased assessment of the activity of the management. The Board of Statutory Auditors has thus opted for a high level of expertise and professionalism for the composition of the control body;

- in 2023, following the self-assessment process the outcomes of which are described in the "Self-assessment Report" forwarded to the Board of Directors, the Board of Statutory Auditors assessed that the independence requirements of its members continued to be met;
- in making the above evaluations, applied all the criteria envisaged by the CG Code with reference to the independence of Directors, except as indicated above with reference to Statutory Auditor Ottavia Alfano.

Remuneration.

Information about (i) the Company policy on the remuneration of members of the Board of Statutory Auditors,

and (ii) fees paid in 2023 is provided in Section I and Section II of the Report on the Remuneration policy and fees paid published pursuant to Art. 123-*ter* of the TUF on the Issuer's website in Section "Governance/Shareholders' meeting /2023".

Management of interests

An Auditor who has a personal interest or an interest on behalf of a third party in a given Issuer's operation shall promptly and fully inform the other auditors and the Chairman of the Board of Directors of the nature, terms, origin and extent of this interest.

12. INVESTOR RELATIONS

Access to information

Diasorin considers it essential to ensure a constant and transparent dialogue with its shareholders, institutional investors and other operators of the financial community in order to provide a more in-depth understanding of the activities carried out by the Company and the Group, in compliance with the rules and procedures governing the management and disclosure of inside information. In this context, the Board of Directors endeavors to provide correct, comprehensive and timely disclosure to the market and to all the stakeholders in general.

Investor Relations reporting is firstly ensured by making available corporate information and documentation in a timely and on-going manner, on the Issuer's website (Section "Newsroom"); in particular, the website provides access to documents, regulated information and most relevant information, including that relating to the equity story, strategy and the most important strategic agreements concluded by the Group in recent years.

In order to ensure that Stakeholders are constantly updated, the Company publishes specific press releases (Section "Newsroom", " Press Releases"), in a timely and on-going manner.

For the transmission and storage of regulated information, the Issuer uses the eMarket SDIR dissemination system and the eMarket STORAGE mechanism, respectively, both managed by Teleborsa S.r.l., with registered office in Rome, Piazza di Priscilla, 4 - following the CONSOB authorization and resolutions no. 22517 and 22518 of November 23, 2022.

Dialogue with shareholders.

The delegated bodies actively operate for the Company continuous dialogue with shareholders.

To this end, the Issuer established an internal Investor Relations Office to take care of relations with Shareholders and carry out specific tasks in the publication and disclosure of price sensitive information. At the date of this Report, this office is currently headed by Mr. Riccardo Fava.

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

In line with international best practices, the Issuer promotes the dialogue with the financial community through specific institutional (including virtual) meetings and other communication and meeting opportunities. In particular, dialogue also takes place also through (i) the organization of roadshows in all the main financial centers, during which the Company is available to discuss issues concerning the Group's operational performance and strategic choices; (ii) meetings with the financial community (so-called Investor Days); (iii) organization of one-to-one meetings with Stakeholders; (iv) conferences; (v) forums; (vi) scientific and commercial events; (vi) social channels.

It should be noted that the Board of December 16, 2021 adopted, upon proposal of the Chairman in agreement with the CEO, pursuant to art. 1, Principle IV., Recommendation 3 of the Corporate Governance Code, an engagement policy which has been drawn up taking into account, among other things, the engagement policies adopted by institutional investors and assets managers and has been published on the Issuer's website (Section "Group", "Governance" "Governance Documents" "Procedures").

Following the adoption of the policy mentioned above, there have been neither significant developments nor Shareholders' requests for dialogue addressed directly to the Board or on matters that, in general, fall within the remit of the Board of Directors.

The Issuer also participated in meetings with some investors institutional which covered, in addition to business issues, the results of the shareholders' vote, issues the Corporate Governance Code (e.g. the level of adherence to the Directors, the application of the criteria of assessment of the independence of the of Directors, improvements in the level of disclosure), remuneration of top management, ESG issues.

13. SHAREHOLDERS' MEETINGS
(pursuant to art. 123-bis, paragraph 2, letter c), TUF)

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

(a) approval of the financial statements;

(b) appointment and dismissal of Directors, Statutory Auditors and the Chairman of the Board of Statutory Auditors and, where required, the Accounting Document Officer;

(c) determination of the remuneration of Directors and Statutory Auditors;

(d) resolutions concerning the responsibility of Directors and Statutory Auditors;

(e) resolution on the other matters attributed by law to the competence of the Shareholders' Meeting, as well as on any authorizations required by the By-Laws for the performance of acts of Directors, without prejudice in any case to the latter's responsibility for the acts performed.

(f) the approval of the rules governing the meeting's proceedings;

(g) resolutions on any other issue over which it has jurisdiction pursuant to law.

The Extraordinary Shareholders' Meeting approves resolutions on amendments to the By-Laws, on the appointment, replacement and powers of liquidators, and on any other issue over which it has specific jurisdiction pursuant to law. The Board of Directors has jurisdiction over the issues listed in article 15 of the By-Laws, it being understood that it can cede jurisdiction over these issues to the Shareholders' Meeting convened in extraordinary session.

The relevant provisions of the law shall be applied to determine whether an Ordinary or Extraordinary Shareholders' Meeting has been validly convened and its resolutions validly adopted.

Pursuant to art. 9 of the By-Laws, only the holders of voting rights may attend the Shareholders' Meeting, in accordance with the regulations in effect at any given time.

Parties eligible to vote may submit questions about the items on the Agenda prior to the Shareholders' Meeting. Questions that are received prior to the Shareholders' Meeting shall be answered at least on the day of the Meeting. The Company may provide a single answer to question with the same content. The notice calling the meeting specifies the terms within which questions raised prior to the Shareholders' Meeting must reach the company. The terms must be no earlier than five trading days prior to the date of the first or only calling of the Shareholders' Meeting, or at the record date pursuant to article 83-*sexies,* paragraph 2, TUF (close of the accounting day on the seventh trading day prior to the date set for the Meeting) where the notice requires the Company to reply to submitted questions prior to the Meeting. In this case, replies are provided at least two days prior to the Shareholders' Meeting also by publication in a specific section of the company website. Ownership of the voting right can be proved even after the submission of questions provided that it occurs within the third day following the abovementioned record date.

The Issuer does not recognize, at present, the need for a specific regulation for the regulation of shareholders' meetings, considering the management of the Shareholders' Meeting by the Chairman to be exhaustive on the basis of the participation rules summarized at the opening of each meeting. The Chairman to ensure an orderly progress of the proceedings, mentions some of the rules of conduct in reference to speech requests, contents of the speech and voting criteria.

Pursuant to Article 106, Paragraph 4 of Legislative Decree no. 18 of 17 March 2020, converted into law no.27 of 24 April 2020 providing " *Measures to strengthen the National Health Service and economic support for families, workers and businesses related to the COVID-19 epidemiological emergency*" during the only

Shareholders' Meetings of Diasorin convened in 2023 (on April 28, 2023), those who were entitled to vote could participate in the Shareholders' Meeting only through the Designated Representative chosen by the Company, pursuant to Article 135-*undecies* of TUF (by conferring proxy); under the same provision, Directors and Statutory Auditors attended the Meeting through remote connection systems that allowed their identification.

In 2023, no significant changes occurred in the market capitalization of the Issuer's shares or in its ownership structure, except for the effects of the increased voting rights as described in Paragraph **2** of this Report.

14. FURTHER CORPORATE GOVERNANCE PRACTICES (pursuant to art. 123-bis, paragraph 2, letter a), TUF)

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

15. CHANGES OCCURRED SINCE THE END OF THE REPORTING YEAR

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

16. CONSIDERATIONS ON THE LETTER OF DECEMBER 17, 2023 FROM THE CHAIR OF THE CORPORATE GOVERNANCE COMMITTEE

The letter of December 17, 2023 from the Chair of the Corporate Governance Committee to the Chairmen of the Board of Directors of listed companies was forwarded to the Directors and to the Chairman of the Board of Statutory Auditors from the Lead Independent Director on December 27, 2023. The letter draws attention to the recommendations made therein also during the self-assessment process with the purpose of identifying the possible evolution of governance or of remedying any shortcomings in the application or the explanations provided.

The Board believes that the governance of the Issuer is almost fully aligned with the recommendations of the Corporate Governance Code.

With regard to the areas of improvements indicated in the letter, it should be noted that the Issuer implemented the recommendation contained in the similar letter sent in January 2023 to highlight, in summary form, the essential information on compliance with the specific recommendations of the CG Code or their disapplication, by including Table 7 that indicates the application, non-application or non-applicability of each provision of the Corporate Governance Code.

The Board of Directors at the meeting held on March 15, 2024, examined the letter which had been previously shared also with members of the Board's Committees, expressing the following considerations:

1. <u>Business Plan</u>: the current regulations of the Board of Directors and the CRS Committee approved on December 16, 2021 provide that the latter is supported by the Board of Directors in reviewing and approving the business plan, also on the basis of matters that are relevant for the long-term value generation. During the examination of the Business Plan approved by the Board of Directors on December 2023, the CRS Committee had the task of carrying out the analyses that fall within its remit, also in the light of the objectives of the 2023-2025 ESG Plan approved by the Board of Directors on

December 1, 2022 after consulting the CRS Committee. The Committee provided its contribution by formulating comments on the Business Plan and expressed a favorable opinion for its approval by the Board on December 11, 2023.

2. Pre-board information: the Regulation of the Board of Directors provides that any documentation relating to the items on the agenda is made available to Directors and to Statutory Auditors at least three working days before the date set for the meeting, with the exception of proved urgent cases or specific confidentiality needs.
   If for urgent or confidentiality reasons the documentation is not provided within the notice period set, adequate and timely insights will be provided during the meeting. In 2023, the documentation was made available within the notice period set and its transmission has never required to be deferred for urgency or confidentiality reasons.
   It should be noted that, as a rule, in line with the practices adopted also by other issuers, presentations of financial results are not part of the pre-board information and are projected directly during the meeting. The contents of these presentations, which may refer to documents made available to the Board prior to the meeting, are shown and in-depth examined by the Chief Executive Officer and by the designated management. After the meeting, these presentations are made available to participants and filed in the meeting's records.

3. Guidelines on Board's optimal composition: on the occasion of the appointment of the current Board of Directors by the Shareholders' Meeting of April 29, 2022, the Issuer published the guidelines on Board's optimal composition along with the notice of call of Shareholders' Meeting published on March 16, 2022, so that the Board of Directors could approve the document on the same date. Taking into account the ownership structure of the Issuer, the Board of Directors believes that the simultaneous publication of the guidelines and the notice of call (occurred 19 days before the publication of slates) provides shareholders with adequate time to take into account the guidelines when preparing the slates. Slates submitted by shareholders specify that such slates were drawn up taking into account the guidelines provided by the Board of Directors. The Remuneration and Nominating Committee meeting on Aril 7, 2022 verified that the slates were submitted in compliance with law, regulation and the statutory requirements currently in force, also on the basis of the Consob Communication no. Dem/9017893 of 26 February 2009, as well as in accordance with the guidelines on Board's qualitative and quantitative composition proposed by the Committee and implemented by the Board of Directors during the meeting held on March 16, 2022.

4. Increased voting rights: on April 28, 2016, before the entry into force of the CG Code, the Shareholders' Meeting amended the By-Laws in accordance with the provisions referred to in art. 127-quinquies TUF, introducing the so-called increased voting rights. The Explanatory Report pursuant to art. 125-ter of the TUF (published on the Issuer's website in Section "Group/Governance/Shareholders' Meeting/2016") dedicated to this item on the agenda, in paragraphs "2. *Effects of the introduction of increased voting rights on the ownership structure of the Company*" and "3. "*Assessment methods of the Company's interests in the adoption of increased voting rights*" (to which reference is made) had already widely explained the proposal and its contents are substantially in line also with the provisions of the CG Code and with the considerations provided in the Letter of 17 December 2023 from the Chair of the Corporate Governance Committee.

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

SHARE CAPITAL STRUCTURE					
	Number of shares	***% on the share capital***	***Number of voting rights*****	***Listed***	***Rights and obligations***
Ordinary share (par value € 1 each)	55,948,257*	100%	88,369,895	Euronext Milan	Rights and obligations are those provided in arts. 2346 et seq. of the Civil Code. Specifically, each share gives right to one vote, without prejudice to the shares that accrued increased voting rights, pursuant to art. 9-*bis* of the By-Laws

* The figure refers to the total amount of shares subscribed. No. 2,430,372 treasury shares held in the company's portfolio; number of treasury shares at 12.31.2023 was equal to 2,588,278.

** The amount of voting rights was equal to 88,369,895 at 12.31.2023

OTHER FINANCIAL INSTRUMENTS (conferring the right to subscribe newly issued shares)				
	Listed	***No. of instruments outstanding***	***Type of shares at the service of the conversion/exercise***	***No. of shares at the service of the conversion/exercise***
Convertible bonds – "€ 500 Million Senior Unsecured Equity – Linked Bonds Due 2028"	*Wien MTF – Wiener Börse*	5,000	Ordinary shares (par value € 1 each)	2,370,411*

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

SIGNIFICANT EQUITY INTERESTS					
Reporting party	**Direct shareholders**	**Number of shares**	**% on the share capital**	**Number of voting rights****	**% of voting rights**
Finde SS	IP Investimenti e Partecipazioni S.r.l.	24,593,454	44.976	49,186,908	56.946
	Finde S.p.A.	570,000		1,140,000	
Rosa Carlo	Sarago S.r.l.	2,402,532	8.363	4,805,064	10.533
	Sarago 1 S.r.l.	2,226,682		4,453,364	
	Rosa Carlo	50,000		50,000	
Even Chen Menachem	MC S.r.l.	2,300,000	4.200	4,600,000	5.262
	Even Chen Menachem	50,000		50,000	
T. Rowe Price Associates, Inc.	T. Rowe Price Associates, Inc.	1,696,073	3.032	1,696,073	1.919

TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AT THE DATE OF THE REPORT
Structure of the Board of Directors

Board of Directors													
Office	**Members**	**Year of birth**	**Date of first appointment (*)**	**In office since**	**In office until**	**List (filed by) (**)**	**List (***)**	**Exec.**	**Non exec.**	**Indep. code**	**Indep. TUF**	**Number of other offices held (****)**	**Equity interest (*****)**
Chairman	Michele Denegri	1969	3.26.2007	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X			-	6/6
Deputy Chairman and Director	Giancarlo Boschetti(1)	1939	4.28.2016	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X			-	6/6
Chief Executive Officer •	Carlo Rosa(1)	1966	3.26.2007	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M	X				-	5/6
Director ○	Andrè Michel Ballester	1958	4.29.2022	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X	X	X	4	5/6
Director	Stefano Altara	1967	4.23.2014	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X			-	6/6
Director	Fiorella Altruda	1952	12.19.2016	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X	X	X	-	6/6
Director	Chen Menachem Even	1963	3.26.2007	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M	X				-	5/6
Director	Luca Melindo	1970	4.24.2019	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X			-	6/6
Director	Franco Moscetti	1951	3.26.2007	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X			5	6/6
Director	Francesca Pasinelli	1960	4.28.2016	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X	X	X	4	6/6
Director	Giovanna Pacchiana Parravicini	1969	4.29.2022	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X	X	X	-	5/6
Director	Diego Pistone	1950	4.29.2022	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X			1	6/6
Director	Roberta Somati	1969	4.22.2013	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X	X	X	-	5/6

Director	Monica Tardivo	1970	4.28.2016	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X	X	X	1	6/6
Director	Tullia Todros	1948	4.28.2016	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X	X	X	-	6/6
Number of meetings held at December 31, 2023					6								
Average length of meetings					2 hours 15 minutes								
Quorum required to file minority slates (pursuant to art. 147-*ter* TUF)					1%								

NOTES

• This symbol indicates the Director in charge of the internal control and risk management.

○ This symbol indicates the Lead Independent Director (LID).

(*) Date of first appointment of each Director means the date when the Director has been appointed for the very first time in the Board of Directors of the Issuer.

(**)This column indicates whether the list from which each Director comes has been presented by Shareholders (indicating “Shareholders”) or by the Board of Directors (indicating “Board of Directors”).

(***)This column indicates the list from which each Director comes “(“M”: majority list; “m”: minority list);

(****)This column indicates the number of posts held as Director or Statutory Auditors in other listed or large companies. In the Corporate Governance Report posts are listed in detail.

(*****)This column indicates the number of the Board of Directors meetings attended by each director (show the number of meetings the director attended compared with the overall number of meeting the director could have attended i.e., 6/8 and 8/8 etc.).

(1) In the period between June 5, 2023 and July 3, 2023 the Deputy Chairman Mr. Sig. Giancarlo Boschetti exercised the deputy powers of Chief Executive Officer, as a substitute, due to the temporary impediment of the Chief Executive Officer Mr. Carlo Rosa

TABLE 3: STRUCTURE OF THE BOARD COMMITTEES AT THE DATE OF THE REPORT

Board of Directors		Control, Risk and Sustainability Committee		Remuneration and Nominating Committee		Committee for Related-Party Transactions	
Post/position	**Members**	(*)	(**)	(*)	(**)	(*)	(**)
Non-executive Deputy Chairman and non-independent from the TUF and from the Code	Boschetti Giancarlo			5/5	M		
Non-executive Director and independent from the TUF and from the Code	Ballester André Michel	3/3	P			3/3	M
Non-executive Director independent from the TUF and from the Code	Moscetti Franco	3/3	M				
Non-executive Director and independent from the TUF and from the Code	Pacchiana Parravicini Giovanna			5/5	M	3/3	M
Non-executive Director and independent from the TUF and from the Code	Somati Roberta	3/3	M	5/5	P	3/3	P
No. of meetings held in the year		3		5		0	
Average length of the meetings		1 hour 40 minutes		50 minutes		20 minutes	

NOTES

(*) This column shows participation of directors in Board meetings held in the year.
(**) This column shows the office the Director holds inside the Committee: "C": Chairman; "M": member.

TABLE 4: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS AT THE DATE OF THE REPORT

Structure of the Board of Statutory Auditors

Board of Statutory Auditors									
Office	**Members**	**Year of birth**	**Date of first appointment (*)**	**In office since**	**In office until**	**List (**)**	**Indep. Code**	**Attendance at the Board of Statutory Auditors' meeting (***)**	**Number of other offices (****)**
Chairman	Monica Mannino	1969	4.28.2016	4.29.2022	Approval of Fin. Stat. at 12.31.2024	m	X	13/13	10
Statutory Auditors	Ottavia Alfano	1971	4.22.2013	4.29.2022	Approval of Fin. Stat. at 12.31.2024	M	X	13/13	30
Statutory Auditors	Matteo Michele Sutera	1981	4.24.2019	4.29.2022	Approval of Fin. Stat. at 12.31.2024	M	X	13/13	21
Statutory Alternate	Romina Guglielmetti	1973	4.24.2019	4.29.2022	Approval of Fin. Stat. at 12.31.2024	M	X	-	5
Statutory Alternate	Cristian Tundo	1972	4.24.2019	4.29.2022	Approval of Fin. Stat. at 12.31.2024	m	X	-	11
Statutory Auditors who resigned in the year: none									
Number of meetings held in 2023: 13									
Average length of meetings: 2 hours 30 minutes									
Indicate minimum quorum required for the presentation of lists for the appointment: **1%**									

NOTES

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

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

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

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

TABLE 5: LIST OF OFFICES HELD BY THE BOARD OF DIRECTORS IN OFFICE AT THE DATE OF THIS REPORT

(offices held in other listed companies, or banking, financial, insurance companies or companies of a significant size pursuant to the criteria for the maximum number of offices held by the Board of Directors of December 16, 2021)

OFFICE	MEMBERS	OTHER OFFICES
Chairman	Michele Denegri	-
Deputy Chairman and Director	Giancarlo Boschetti	-
Chief Executive Officer	Carlo Rosa	-
Director	André Michel Ballester	Carso LSEHL (Director) North American Science Associates, LLC (Director) Natus Medical, Inc. (Director) Suan Farma S.A.U. (Chairman of the Board of Directors)
Director	Stefano Altara	-
Director	Fiorella Altruda	-
Director	Chen Menachem Even	-
Director	Luca Melindo	-
Director	Franco Moscetti	ASTM S.p.A. (Deputy Chairman) Clessidra Capital SGR S.p.A. (Director) OVS S.p.A. (Chairman) Pellegrini S.p.A. (Director) Zignago Vetro S.p.A. (Director)
Director	Francesca Pasinelli	Anima Alternative SGR S.pA. (Director) CIR Compagnie Industriali Riunite S.p.A. (Director) Dompé Farmaceutici S.p.A. (Director) Bormioli Pharma S.p.A. (Director)
Director	Giovanna Pacchiana Parravicini	-
Director	Diego Pistone	Juventus FC S.p.A. (Director)
Director	Roberta Somati	-
Director	Monica Tardivo	Banca del Piemonte S.p.A. (Director)
Director	Tullia Todros	-

TABLE 6 LIST OF OFFICES HELD BY THE BOARD OF STATUTORY AUDITORS

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

OFFICE	MEMBERS	OTHER OFFICES
Chairman	Monica Mannino	Corvallis S.r.l. (Chairman of the Board of Statutory Auditors) ERASTEEL Alloys Italia S.r.l. (Chairman of the Board of Statutory Auditors) ERG S.p.A. (Chairman of the Board of Statutory Auditors) Fiera Milano S.p.a. (Chairman of the Board of Statutory Auditors) Luxmaster S.p.A. (Statutory Auditor) TINEXTA S.p.A. (Statutory Auditor) Tinexta Cyber S.p.A. (Chairman of the Board of Statutory Auditors) Istituto Stomatologico Italiano Cooperativa Sociale – Onlus (Statutory Auditor) Made Eventi S.r.l. (Statutory Auditor) North Sails Apparel S.p.A. Società Benefit (Statutory Auditor)
Statutory Auditor	Ottavia Alfano	Amalfi Invest S.p.A. (Chairman of the Board of Statutory Auditors) Arec Neprix S.p.A. (Alternate) Banca Ifigest S.p.A. (Alternate) B4IFund SIS S.p.A.S a capitale fisso (Alternate) Borsa Italiana S.p.A. (Statutory Auditor) Bonafous S.p.A. in liquidation (Alternate) Cashfin S.p.A. (Chairman of the Board of Statutory Auditors) Cleanbnb S.p.A. (Statutory Auditor) Cypress Holdings S.r.l. (Statutory Auditor) Evoca S.p.A. (Chairman of the Board of Statutory Auditors) FSI Holding S.p.A. (Chairman of the Board of Statutory Auditors) FSI SGR S.p.A. (Chairman of the Board of Statutory Auditors) Gatelab S.r.l. (Statutory Auditor) Genextra S.p.A. (Statutory Auditor) Illimity SGR S.p.A. (Statutory Auditor) Italian Renewable Resources S.p.A. (Chairman of the Board of Statutory Auditors) La Doria S.p.A. (Chairman of the Board of Statutory Auditors) LYNX S.p.A. (Statutory Auditor) Nice S.p.A. (Chairman of the Board of Statutory Auditors) Nuova Energia Holding S.r.l. (Chairman of the Board of Statutory Auditors) Pay Holding S.p.A. (Statutory Auditor) Plenitude Energy Services S.p.A. (Chairman of the Board of Statutory Auditors) PIC Servizi per l'Informatica S.r.l. (Statutory Auditor) Reale Compagnia Italiana S.p.A. (Chairman of the Board of Statutory Auditors) Residenziale Immobiliare 2004 S.p.A. (Alternate) Saga Coffee S.p.A. (Chairman of the Board of Statutory Auditors) Sarago 1 S.r.l. (Statutory Auditor) Sarago S.r.l. (Sole Auditor) VEI S.r.l. (Sole Auditor)

		Vodafone Gestioni S.p.A (Chairman of the Board of Statutory Auditors)
Statutory Auditor	Matteo Michele Sutera	Assietta S.p.A. (Chairman of the Board of Statutory Auditors) Beingpharma S.p.A. (Director) Bioearth International S.r.l. (Director) Bribri S.p.A. (Statutory Auditor) Corporate Value S.p.A. (Statutory Auditor) Deltatre S.p.A. (Statutory Auditor) DiaSorin Italia S.p.A. (Statutory Auditor) Exilles S.p.A. (Chairman of the Board of Statutory Auditors) E.P. Preziosi Participations S.p.A. (Statutory Auditor) G.P. Holding S.p.A. (Statutory Auditor) Gerola Energia S.r.l. (Sole External Auditor) I.M.S. Industria Materiali Stampati S.p.A. (Statutory Auditor) Naturalia Tantum S.p.A. (Director) New Deal S.p.A. (Statutory Auditor) OdeXa S.p.A. (Chairman of the Board of Statutory Auditors) Panakes Partners SGR S.p.A. (Statutory Auditor) Preziosi Investments S.p.A. (Statutory Auditor) Technical Plast S.r.l. (Alternate) Togethair S.r.l. (Director) Valbrenta S.p.A. (Chairman of the Board of Directors) Zeca S.r.l. (Director)
Alternate	Romina Guglielmetti	Tod's S.p.A. (Director) Compass Banca S.p.A. (Director) MB Facta S.p.A. (Director) DEA Capital Funds SGR S.p.A. (Director) The Technoshop SGR S.p.A. (Director)
Alternate	Cristian Tundo	Ce.P.I.M. S.p.a. (Statutory Auditor) CHR Hansen Italia S.p.A. (Statutory Auditor) DUC S.p.A. (Statutory Auditor) Creactives Gorup S.p.A. (Statutory Auditor) Creactives S.p.A. (Statutory Auditor) HT S.p.a. (Chairman of the Board of Statutory Auditors) Immobiliare Oasi nel Parco S.r.l. (Statutory Auditor) Oterra S.p.A. (Chairman of the Board of Statutory Auditors) Oterra Italia S.p.A. (Chairman of the Board of Statutory Auditors) Rimini Parking Gest S.r.l. (Sole Auditor) SITI B&T Group S.p.A. (Statutory Auditor)

TABLE 7 – EXECUTIVE SUMMARY OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

CORPORATE GOVERNANCE CODE 2020	Applied	Not applied	Inapplicabile	Refer to paragraph
Art. 1- Role of the board of directors *Principles* **I.** The board of directors leads the company by pursuing its sustainable success.	✓			4.1
II. The board of directors defines the strategies of the company and the group it heads in accordance with principle I and monitors its implementation.	✓			4.1
III. The board of directors defines the corporate governance system that is most functional for carrying out the company's business and pursuing its strategies, taking into account the flexibility offered by the legal framework. If necessary, the board of directors evaluates and promotes the appropriate changes and submits them to the shareholders' meeting.	✓			4.1
IV. The board of directors promotes dialogue with shareholders and other stakeholders which are relevant for the company, in the most appropriate way.	✓			12.

Recommendations 1. The board of directors: a) reviews and approves the business plan of the Company and the Group it heads, also on the basis of matters that are relevant for the long-term value generation. That analysis is carried out with the possible support of a committee whose composition and functions are defined by the board of directors; b) periodically monitors the implementation of the business plan and assesses the general course of the business, comparing the results achieved with those planned; c) defines the nature and level of risk compatible with the company's strategic objectives, including all the elements that can be relevant for the company's sustainable success; d) defines the corporate governance system of the company and the structure of the group it heads, and assesses the adequacy of the company's organizational, administrative and accounting structure and of its strategically important subsidiaries, with particular reference to the internal control and risk management system;	✓			4.1

e) approves transactions of the company and its subsidiaries that have a significant impact on the company's strategies, profitability, assets and liabilities or financial position; to this end, it establishes the general criteria for identifying significant transactions;		X		4.1

f) on proposal of the chairman in agreement with the chief executive officer, adopts a procedure for the internal and external management of documents and information concerning the company, with particular reference to inside information, in order to ensure the correct management of corporate information.				4.1,
2. If deemed necessary for the effectiveness of the company's corporate governance system, the board of directors develops specific proposals to be submitted to the shareholders' meeting on the following issues: a) choice and characteristics of the corporate model (traditional, "one-tier", "two-tier"); b) size, composition and appointment of the board of directors and term of office of its members; c) structure of the shares' administrative and property rights; d) percentages established for the exercise of the prerogatives set up to safeguard minority shareholders. In particular, if the board of directors intends to propose to the shareholders' meeting the introduction of increased voting rights, it provides adequate reasons in the explanatory report that will be submitted to the shareholders. The report indicates the expected effects on the company's ownership and control structure and its future strategies. In the same report, the board discloses the decision-making process followed for the definition of such a proposal and any dissenting opinions voiced within the board.	✓			2 d)
3. Upon proposal of the Chairman in agreement with the chief executive officer, the board of directors adopts and describes in the corporate governance report a policy for managing dialogue with the generality of shareholders, taking also into account the engagement policies adopted by institutional investors and asset managers.	✓			12

The Chairman ensures that the board of directors is in any case informed, within the first suitable meeting, of the development and the significant contents of the dialogue that has taken place with all the shareholders.				
Art. 2 - Composition of the corporate bodies *Principles* **V.** The board of directors is comprised of executive and non-executive directors. All directors ensure professional skills and competence that are appropriate to their tasks.	✓			4.3
VI. The number and skills of non-executive directors ensure significant influence in the decision-making process of the board and guarantee an effective monitoring of management. A significant number of non-executive directors is independent.	✓			4.3
VII. The Company applies diversity criteria, including gender ones, to the composition of the board of directors, ensuring the primary objective of adequate competence and professionalism of its members.	✓			4.3
VIII. The control body's composition is appropriate for ensuring the independence and professionalism of its function.	✓			4.3
Recommendations 4. The board of directors defines the delegation of managerial powers and identifies who among the executive directors holds the position of chief executive officer. If the Chairman is entrusted with the position of chief executive officer or with significant managerial powers, the board of directors explains the reasons for this choice.	✓			4.6
5. The number and skills of independent directors are appropriate to the needs of the company and to the well-functioning of the board of directors, as well as to the establishment of board committees. The board of directors includes at least two independent directors, other than the Chairman. In large companies with concentrated ownership, independent directors account for at least one third of the board. In other large companies, independent directors account for at least half of the board. In large companies, independent directors meet, in the absence of the other directors, on a periodic basis and at least once a year to evaluate the issues deemed of interest to the functioning of the board of directors and to the corporate management.	✓			4.7
6. The board of directors assesses the independence of each non-executive director immediately after his or her appointment. The assessment is renewed during the mandate upon the occurrence of circumstances that concern his or her independence and at least once a year. Each non-executive director provides all the elements necessary or useful for the assessment of the board of directors. On the basis of all the information available, the board considers any circumstance that affects or could affect the independence of the director.	✓			4.7
7. The circumstances that jeopardize, or appear to jeopardize, the independence of a director are at least the following: a) if he or she is a significant shareholder of the company; b) if he or she is, or was in the previous three financial years, an executive director or an employee: - of the company, of its subsidiary having strategic relevance or of a company subject to joint control;	✓			

- of a significant shareholder of the company; c) if he or she has, or had in the previous three financial years, a significant commercial, financial or professional relationship, directly or indirectly (for example through subsidiaries, or through companies of which he or she is an executive director, or as a partner of a professional or a consulting firm): - with the company or its subsidiaries, or with their executive directors or top management; - with a subject who, also together with others through a shareholders' agreement, controls the company; or, if the control is held by a company or another entity, with its executive directors or top management; d) if he or she receives, or received in the previous three financial years, from the company, one of its subsidiaries or the parent company, significant remuneration other than the fixed remuneration for the position held within the board and for the membership in the committees recommended by the Code or required by law; e) if he or she has served on the board for more than nine years, even if not consecutive, of the last twelve years; f) if he or she holds the position of executive director in another company whereby an executive director of the company holds the office of director; g) if he or she is a shareholder or director of a company or other legal entity belonging to the network of the external auditor of the company; h) if he or she is a close relative of a person who is in any of the circumstances set forth in previous letters.				4.7
The board of directors defines ex ante, at least at the beginning of its mandate, the quantitative and qualitative criteria for assessing the significance of the situations set forth above in letters c) and d). If the director is also a partner in a professional or a consulting firm, the board of directors assesses the significance of the professional relationships that may have an effect on his or her position and role within the professional or the consulting firm and in any event, those pertaining to important transactions of the company and the group it heads, even regardless of the quantitative parameters. The chair of the board of directors, who has been nominated for such role according to recommendation 23, can be assessed as independent if none of the circumstances set forth above occurs. If the independent chairman is member of the board committees recommended by the Code, such committees are made up in majority of independent directors. The independent chairman of the board of directors cannot chair the remuneration committee and the control and risk committee.		X		4.7
8. The company defines the diversity criteria for the composition of the board of directors and the control body and identifies the most suitable tool for their implementation, taking into account its ownership structures. At least a third of the board of directors and the control body, where the latter is autonomous, is to be comprised of members of the less represented gender. Companies adopt measures to promote equal treatment	✓			4.3, 7.1, 11.2,

and opportunities among genders within the entire organization, monitoring their specific implementation.				
9. All members of the control body meet the independence requirements set out in recommendation 7 for directors. The independence assessment is carried out, with the timing and manner provided for by recommendation 6, by the board of directors or by the control body; such an assessment is based on the information provided by each member of the control body.	✓			11.2
10. The outcome of the assessments of independence of directors and members of the control body referred to in recommendations 6 and 9 is disclosed to the market immediately after the appointment through a specific press release and, later, in the corporate governance report. In both cases, the outcome of the assessment provides information about: the criteria used for the assessment of the significance of the relationships and, in case of any deviation from the circumstances set forth in recommendation 7, a clear and detailed reason for this choice motivated by the individual situation and characteristics of the director concerned.	✓			4.7
Art. 3 - Functioning of the board of directors and the role of the Chairman *Principles* **IX.** The board of directors defines the rules and procedures for its functioning, ensuring an efficient flow of information to directors.	✓			4.1
X. The chairman of the board of directors plays a liaison role between executive and non- executive directors and ensures the effective functioning of the board.	✓			4.5
XI. The board of directors ensures an adequate division of its functions and establishes board committees with preliminary, propositional and consultative functions.	✓			7.2, 9.2, 10.
XII. Each director ensures adequate time commitment for the fulfilment of their board responsibilities.	✓			4.3
Recommendations 11. The board of directors develops internal rules that define the functioning of the board and its committees, including the means for recording the minutes of the meetings and the procedures for providing information to directors. These procedures identify the prior notice for the submission of the documentation, ensuring that confidentiality issues are properly managed without affecting the timeliness and completeness of the flow of information. The corporate governance report provides adequate information on the main contents of the board of director's internal rules and on compliance with the procedures aimed at ensuring the timeliness and adequacy of the information provided to the directors.	✓			4.1
12. The chairman of the board of directors, with the help of the board secretary, ensures that: a) the pre-meeting information and the complementary information provided during the meeting are suitable to allow directors to act in an informed manner; b) the activity of the board committees with preliminary, propositional and consultative functions is coordinated with the activity of the board of directors; c) in agreement with the chief executive officer, the managers of the company and those of the companies of the group it heads, who are competent on the issues	✓			4.5

concerned, participate in the relevant board meetings to provide appropriate insights on the items on the agenda, also upon request of one or more directors; d) all the members of the board of directors and control body can take part, after the appointment and during the mandate, in initiatives aimed at providing them with adequate knowledge of the industry in which the company operates, the company dynamics and their evolution, also in relation to the company's sustainable success. Such initiatives also cover the risk management issues as well as any relevant part of the regulatory and self-regulatory framework; e) to provide for the adequacy and transparency of the board review, with the support of the nominating committee.				
13. The board of directors appoints an independent director as lead independent director: a) if the chairman of the board of directors is the chief executive officer or holds significant managerial powers; b) if the office of chairman is held by the person who controls, also jointly, the company; c) in large companies, even in the absence of the conditions indicated in letter a) and b), if requested by the majority of independent directors.	✓			4.7
14. The lead independent director: a) collects and coordinates the requests and contributions of non-executive directors and, in particular, of independent ones; b) coordinates the meetings of the independent directors.	✓			4.7
15. In large companies, the board of directors expresses its guidelines on the maximum number of offices that can be considered compatible with an effective performance and the time commitment required by the role of the directors. The relevant offices are those held in corporate bodies of other listed companies and of companies having a significant size.	✓			4.7
16. The board of directors sets up internal committees with preliminary, propositional and consultative functions regarding appointments, remuneration and control and risks. The functions that the Code assigns to the board committees can be either distributed in a different manner or even combined in a single committee. In any case, the company ensures an adequate disclosure on the tasks and activities carried out by each of the assigned functions as well as an adequate composition of each committee, as recommended by the Code. The functions of one or more committees can even be assigned to the board of directors, under the coordination of the chairman, provided that: a) independent directors represent at least half of the board; b) the board dedicates adequate sessions to the performance of such functions. In the event that the functions of the remuneration committee are assigned to the board of directors, the last paragraph of recommendation 26 applies. Companies other than large ones may assign the functions of the control and risk committee to the board of directors even in absence of the condition set forth above in letter a). Companies with concentrated ownership, even large ones, can assign the functions of the nominating committee to the	✓			7.1

board of directors even in absence of the condition set forth above in letter a).				
17. The board of directors defines the tasks of the committees and their composition, favoring the competence and experience of their members and avoiding, in large companies, an excessive concentration of offices. Each committee is coordinated by a chairman who informs the board of directors about the committee's activities at the first useful board meeting. The chairman of the committee may invite the chairman of the board of directors, the chief executive officer, the other directors and, by informing the chief executive officer, the managers of the corporate functions that are competent on the matters of the committee meeting, to individual committee's meetings. The members of the control body can attend the meetings of each committee. Board committees can have access to the information and the corporate functions that are necessary for the performance of their duties. Board committees have adequate financial resources and can avail themselves of external consultants according to the conditions set forth by the board of directors.	✓			7.2, 9.2
18. The board of directors, upon proposal of the chairman, provides for the appointment and dismissal of the board secretary and defines his or her professional requirements and attributes in the board's internal rules. The board secretary supports the activities of the chairman and provides impartial assistance and advice to the board of directors on all aspects relevant to the proper functioning of the corporate governance system.	✓			7.2, 9.2, 10.2
Art. 4 - Appointment of directors and board evaluation *Principles* **XIII.** The board of directors ensures, within its competence, that the process of appointment and succession of directors is transparent and functional to achieve the optimal composition of the board according to the principles set forth in Article 2.	✓			4.1
XIV. The board of directors periodically evaluates, through formalized procedures, its effectiveness and the contribution made by individual directors. The implementation of the board evaluation procedures is supervised by the board itself.	✓			7.1
Recommendations 19. The board of directors entrusts the nominating committee to support it on: a) the evaluation of the board and its committees; b) the definition of the optimal composition of the board and its committees; c) the identification of candidates in case of the director's co-optation; d) the possible submission of a slate by the outgoing board, ensuring the transparency of the process that led to the slate's structure and proposition; e) the development, updating and implementation of succession plan for the chief executive officer and the other executive directors.	✓			7.2
20. The majority of directors of the nominating committee are independent.	✓			7.2
21. The board evaluation assesses the size, composition and functioning of the board and its committees. It includes also	✓			7.1

the board's active involvement in the definition of the company's strategy and in the monitoring of the management of the company's business as well as the appropriateness of the internal control and risk management system.				
22. The board evaluation is conducted at least every three years, before the renewal of the board of directors. In large companies other than those with concentrated ownership, the board evaluation is conducted on an annual basis and can be diversified according to the term of the board's mandate. In such companies, the board considers whether to appoint an external facilitator for its evaluation at least once every three years.	✓			7.1
23. In companies other than those with concentrated ownership, the board of directors: - sets forth guidelines on board quantitative and qualitative composition deemed optimal before its renewal, considering the outcome of the board evaluation; - requires anyone submitting a slate with a number of candidates that is higher than half the number of members to be elected to provide adequate information on the compliance of the slate with the board guidelines mentioned above, and with the board diversity criteria set forth in principle VII and recommendation 8. In such cases, the slate also identifies its candidate for the chairmanship of the board, whose appointment is conducted according to the company's bylaws. All the information mentioned in this paragraph are disclosed in the documentation attached to the slate during its filing process. The guidelines of the outgoing board of directors are published on the company's website before the publication of the notice of the shareholders' meeting convened for the board's renewal. They identify the managerial and professional profiles and the skills deemed necessary, having due consideration of the company's sectoral characteristics, the board diversity criteria set forth in principle VII and recommendation 8 as well as the board guidelines on the maximum number of offices set forth in recommendation 15.	✓			7.1
24. In large companies, the board of directors: - elaborates, with the support of the nominating committee, a plan for the succession of the chief executive officer and executive directors by identifying, at least, the procedures to be followed in the event of an early termination of office; - ascertains the existence of appropriate procedures for the succession of the top management.		X		7.1
Art. 5 – Remuneration *Principles* **XV.** The remuneration policy for directors, members of the control body and the top management contributes to the pursuit of the company's sustainable success and takes into account the need to have, retain and motivate people with the competence and professionalism deemed adequate for their role.	✓			8
XVI. The remuneration policy is developed by the board of directors through a transparent procedure.	✓			8
XVII. The board of directors ensures that the remuneration paid and accrued is consistent with the principles and criteria defined in the policy, considering the results	✓			8

achieved and any other circumstances relevant for its implementation.				
Recommendations 25. The board of directors entrusts the remuneration committee with the task of: a) supporting it in the development of the remuneration policy; b) submitting proposals or expressing opinions on the remuneration of executive directors and other directors who hold specific responsibilities, as well as on the setting of performance objectives related to the variable component of this remuneration; c) monitoring the actual application of the remuneration policy and verifying the effective achievement of the performance objectives; d) periodically assessing the adequacy and overall consistency of the remuneration policy for directors and the top management. In order to have people with adequate competence and professionalism, the remuneration of executive and non-executive directors and of the members of the control body is defined with due consideration of the remuneration practices that are common with regards to the company's reference sectors and size. It also considers comparable international practices, with the possible support of an independent consultant.	✓			7.2
26. The remuneration committee is made up of non-executive directors, the majority of whom are independent, and is chaired by an independent director. At least one member of the committee has adequate knowledge and experience in financial matters or remuneration policies; such skills are assessed by the board of directors before his or her appointment. No director takes part in the meetings of the remuneration committee in which proposals relating to his or her remuneration are made.	✓			7.2
27. The remuneration policy for executive directors and the top management defines: a) a balance between the fixed and the variable component which is consistent with the company's strategic objectives and risk management policy. Consistency is assessed taking into consideration the business's characteristics and the industry of the company. The variable component has in any case a significant weight on the overall remuneration; b) caps to the variable components; c) performance objectives, to which is linked the payment of the variable components, that are predetermined, measurable and predominantly linked to the long-term horizon. They are consistent with the company's strategic objectives and with the aim of promoting its sustainable success and includes non-financial parameters, where relevant; d) an adequate deferral of a significant part of the variable component that has been already accrued. Such a deferral period is consistent with the company's business activity and its risk profile; e) provisions that enable the company to recover and/or withhold, in whole or in part, the variable components	✓			8

already paid-out or due, where they were based on data which subsequently proved to be manifestly misstated. The company can identify other circumstances in which such provisions are applied; f) clear and predetermined rules for possible termination payments, establishing a cap to the total amount that might be paid out. The cap is linked to a certain amount or a certain number of years of remuneration. No indemnity is paid out if the termination of the office is motivated by director's objectively inadequate results.				
28. The share-based remuneration plans for executive directors and the top management are aligned with the interests of the shareholders over a long-term horizon, providing that a predominant part of the plan has an overall vesting and holding period of at least five years.		X		8
29. The remuneration of non-executive directors is adequate to the competence, professionalism and commitment required by their role within the board of directors and its committees; this remuneration is not related to financial performance objectives, except for a non-significant part.	✓			8
30. The remuneration of the members of the control body is adequate to the competence, professionalism and commitment required by their role and the company's size, industry and current situation.	✓			8
31. On the occasion of the termination of office and/or dissolution of the relationship with an executive director or general manager, a press release is published as soon as the internal processes that led to the assignment or the recognition of any indemnities and/or other benefits has been concluded. The press release provides for detailed information on: a) the assignment or the recognition of indemnities and/or other benefits, the circumstances that justify their accrual (e.g. due to the expiration of the term of office, its termination or a settlement agreement) and the decision-making process followed for this purpose within the company; b) the total amount of the indemnity and/or other benefits, the related components (including non-monetary benefits, the vesting of rights connected with incentive plans, the compensation for non-competitive commitments or any other remuneration allocated to any reason and in any form) and the timing of their disbursement (distinguishing the part paid immediately from the part subject to deferral mechanisms); c) the application of any claw-back or malus clauses; d) the compliance of the elements indicated in letters a), b) and c) consistently with the remuneration policy, with a clear indication of the reasons and the decision-making process followed in the event of non-compliance, even if only partial, with the policy itself; e) the procedures that have been or will be followed for the replacement of the executive director or the general manager whose office has been terminated.	✓			8
Art. 6 – Internal control and risk management system *Principles* **XVIII.** The internal control and risk management system consists of a set of rules, procedures and organizational structures for an effective and efficient identification, measurement, management and monitoring of the main risks, aimed at contributing to the sustainable success of the company.	✓			8
XIX. The board of directors defines the guidelines of the internal control and risk management system in	✓			9

accordance with the company's strategies and annually assesses its adequacy and effectiveness.				
XX. The board of directors defines the principles concerning the coordination and the flow of information among the parties involved in the internal control and risk management system. Such principles aim at maximizing the effectiveness of the system itself, reducing the duplication of activities and ensuring the successful performance of the duties of the control body.	✓			9, 4.1
Recommendations 32. The organization of the internal control and risk management system involves: a) the board of directors, which plays a role in guiding and assessing the adequacy of the system; b) *the chief executive officer, in charge of establishing and maintaining the internal control and risk management system;* c) the control and risk committee set up within the board of directors, with the task of supporting the board of directors' assessments and decisions relating to the internal control and risk management system and the approval of periodical financial and non-financial reports. In companies that adopt the "one-tier" or "two-tier" corporate model, the functions of the control and risk committee can be assigned to the control body; d) the head of the internal audit function who is in charge of verifying that the internal control and risk management system is functional, adequate and consistent with the guidelines defined by the board of directors; e) the other corporate functions involved in the internal control and risk management system (such as the risk management functions and the functions dealing with legal and non-compliance risk) which are articulated in relation to the company's size, sector, complexity and risk profile; f) the control body, which monitors the effectiveness of the internal control and risk management system.	✓			9, 4.1
33. The board of directors, with the support of the control and risk committee: a) defines the guidelines of the internal control and risk management system consistently with the company's strategies and assesses, at least once a year, the adequacy of this system with respect to the company's characteristics and its risk profile, as well as its effectiveness; b) appoints and dismisses the head of the internal audit function, defining his or her remuneration which is consistent with the company policies. The board ensures that he or she has adequate resources to carry out his or her duties. If the internal audit function is entrusted, as a whole or by operating segments, to an external entity, the board ensures that it meets the adequate requirements of professionalism, independence and organization, providing adequate reasons for this choice in the corporate governance report; c) approves, at least on an annual basis, the work plan prepared by the head of the internal audit function, after hearing the control body and the chief executive officer; d) evaluates the opportunity to take measures to ensure the effectiveness and impartial assistance of the other corporate functions mentioned in recommendation 32,	✓			9, 4.1

lett. e). To this end, the board verifies that such functions have adequate professionalism and resources; e) assigns the supervisory functions pursuant to Art. 6,1,(b) of Legislative Decree No. 231/2001 to the control body or to a body established specifically for this purpose. 231/2001. If the body does not correspond to the control body, the board of directors considers whether to appoint within the body at least one non-executive director and/or a member of the control body and/or the head of a legal or supervisory function of the company, in order to ensure coordination among the various parties involved in the internal control and risk management system; f) evaluates, after consultation with the control body, the results presented by the statutory auditor in any letter of suggestions and in the additional report addressed to the control body; g) describes, in the corporate governance report, the main characteristics of the internal control and risk management system and the methods of coordination among the subjects involved. The report provides information about the national and international reference models and best practices adopted and the board's overall assessment of the adequacy of the system itself. Moreover, it provides an adequate explanation of the composition of the control body referred to in letter e) above.				
34. The chief executive officer: a) identifies the main business risks, considering the characteristics of the activities carried out by the company and its subsidiaries, and periodically submit them to the examination of the board of directors; b) implements the guidelines defined by the board of directors, providing for the design, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness, as well as adapting it to the dynamics of the operating conditions and the legislative and regulatory landscape; c) can entrust the internal audit with the tasks of carrying out specific controls on defined operational areas and on compliance with internal rules and procedures in the implementation of company transactions. Such requests are contextually conveyed to the chairman of the board of directors, to the chairman of the control and risk committee and to the chairman of the control body; d) reports promptly to the control and risk committee on problems and critical issues that emerged in the performance of his or her activity or of which he or she nevertheless has information so that the committee can take appropriate actions.	✓			9.1
35. The control and risk committee is comprised of non-executive directors, the majority of whom are independent, and is chaired by an independent director. The committee has expertise that is consistent with the company's industry and assessment of its risks; at least one member of the committee has adequate knowledge and experience in accounting, finance or risk management. The control and risk committee, in assisting the board of directors: a) assesses the external auditor and the control body, the correct application of the accounting principles and, in the case of groups, their homogeneity for the purposes of preparing the consolidated financial statement, after	✓			9.2.

hearing the manager responsible for the corporate financial documents; b) assesses whether the periodic financial and non-financial information is suitable to correctly represent the company's business model, its strategies, the impact of its business and the performance achieved, in coordination with the committee mentioned in recommendation 1, lett. a), if established; c) examines the content of the periodic non-financial information relevant to the internal control and risk management system; d) expresses opinions on specific aspects relating to the identification of the main corporate risks and supports the board of directors' assessments and decisions relating to the management of risks deriving from prejudicial facts of which the latter has become aware; e) examines the periodic and particularly relevant reports prepared by the internal audit function; f) monitors the autonomy, adequacy, effectiveness and efficiency of the internal audit function; g) can entrust the internal audit with the task of carrying out specific controls on defined operational areas. Such a request is contextually conveyed to the chairman of the control body; h) reports to the board of directors, at least upon the approval of the annual and half- yearly financial report, on the activities carried out and on the adequacy of the internal control and risk management system.				
36. The head of the internal audit function is not responsible for any operational area. He or she depends hierarchically on the board of directors and has direct access to all information that is useful for carrying out his or her duty. The head of the internal audit function: a) verifies, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the functioning and the suitability of the internal control and risk management system according to the audit plan. The audit plan is approved by the board of directors and is based on a structured process of analysis and prioritization of the main risks; b) prepares periodic reports containing adequate information on its activity, on the ways in which risk management is conducted, as well as on compliance with the plans defined for the containment of risks. The periodic reports contain an assessment of the suitability of the internal control and risk management system; c) prepares promptly, at the request of the control body, reports on events of particular relevance; d) submits the reports referred to in letters b) and c) to the chairmen of the control body, of the control and risk committee and of the board of directors, as well as to the chief executive officer, except in cases where the matter of these reports specifically concerns the activity of these subjects; e) verifies, as part of the audit plan, the reliability of the information systems, including the accounting systems.	✓			9.3
37. The member of the control body who, on his or her own behalf or on behalf of third parties, has an interest in a specific transaction of the company, provides prompt and exhaustive information to the other members of the same body and to the chairman of the board of directors about the nature, terms, origin and extent of his or her interest. The control body and the control and risk committee promptly exchange relevant information for the performance of their respective duties. The chairman of the control body, or another member of the control body designated by its chairman, takes part in the meetings of the control and risk committee.	✓			10.1

Report on Operations CONSOLIDATED NON-FINANCIAL STATEMENT AT DECEMBER 31, 2023 pursuant to Legislative Decree no.254/2016

1. Note on methodology

1.1 Objectives of the Non-Financial Statement

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

In order to comply with the obligations provided by Articles 3 and 4 of Legislative Decree no. 254/16, the Diasorin Group presented the main company policies, its management models and the main activities carried out by the Group in 2023 with respect to the topics expressly specified by Legislative Decree no. 254/16 (environmental, social and employee-related matters, respect for human rights, fight against corruption), as well as the main risks identified with those topics. These topics are reported in this Statement to the extent necessary to ensure an understanding of the Group's activities, performance, results and impact generated. In 2021, the Non-Financial Statement also integrated disclosure obligations required by Regulation EU 2020/852 (hereinafter referred to as "EU Taxonomy") and specified in the Disclosures Delegated Act published on July 6, 2021. For 2023, the disclosure takes into account new regulations, with particular reference to the inclusion of activities contributing to climate objectives and four additional environmental objectives. See paragraphs "*2.7 Taxonomy*" and "*Appendix (to Taxonomy)*" for the disclosure of the analyses carried out.

It should be noted that this NFS has been subject to limited audit by the independent auditing company PricewaterhouseCoopers S.p.A. In accordance with current regulatory interpretations, the limited assurance does not concern information and data relating to the EU Taxonomy or the requirements of art. 8 of EU Regulation 2020/852 and subsequent amendments.

1.2 Reporting standards

Legislative Decree no. 254/16 requires companies to provide the aforementioned information "*in accordance with methodologies and principles under the reporting standard used as reference or by the autonomous reporting methodology used for drawing up the non-financial statement*". The Diasorin Group chose to apply the updated GRI Standards 2021 issued by the "Global Reporting Initiative" as a technical and methodological reference to report the information contained hereto, in compliance with the Decree.

The Diasorin Group reports the non-financial information contained in this Statement with reference to the GRI Standards, selecting the single Standards useful for reporting the information required by the Decree, in line with the provisions of Section 3 in GRI Standard 1: Foundation 2021. The following paragraphs present GRI-referenced claims for each Standard used to report data.

Due to the update of Standards in 2021, Diasorin complied with the new reporting requirements envisaged by GRI 1, GRI 2 and GRI 3, where applicable for the company. Following the update of GRI Standards 303: Water and effluents 2018, GRI 403: Occupational Health and Safety 2018 and GRI 306: Waste 2020, the Diasorin Group adjusted its reporting to comply with these updated Standards, whose adoption is mandatory for reports published from 1 January 2021 with reference to GRI 303 and 403, and from 1 January 2022 for GRI 303.

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

1.3 Reference scope and reporting period

The scope of this Consolidated Statement includes Companies that fall within the scope of the 2023 Consolidated Financial Statements, as detailed in paragraph ‘*General information and scope of consolidation*” in the notes to the 2023 Consolidated Financial Statements. These companies are consolidated line by line from the date on which the Group obtains control until control ceases to exist.

With reference to data and information on the supply chain management, as described in paragraph “*Quality of products and processes*”, it should be noted that such data and information refer to manufacturing companies supplying products/services that have a direct impact on compliance with end product requirements. Further details on the scope of each material topic are provided in the correlation Table between Decree 254/16 and material topics, annexed to this document.

In September 2020, the Diasorin Group announced the extension of the joint venture with FuYuan to Shanghai Baoshan District Government, with the aim of opening the Group's first manufacturing and research site in Shanghai – China.   In the first half of 2022 structural works were completed and at the end of 2022 the company started validating the products to be registered in China. This agreement will affect non-financial data in 2024 when the company expects to obtain the first manufacturing licenses and enter the Chinese market.

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

In order to ensure a comparison with the previous year data, as required by Legislative Decree 254/16, and comply with the benchmarking principles required by the GRI Standards, data reported in this document cover the 2021- 2023 reporting period.

2. Company identity and topics relevant to the Diasorin Group

2.1 The Diasorin Group 's business

The Diasorin Group has been active in the laboratory diagnostics market for over 20 years. In July 2021, following the Luminex acquisition, Diasorin included the "Licensed Technologies" business in the scope of its activities. The new business includes the production of a technological solution that may be used in combination with platforms that are designed and sold by Luminex, in order to develop tests that can simultaneously detect a wide range of elements in the analyzed sample. This technology can be applied both in diagnostics and in research and development of drugs and vaccines, among others. A residual component of the "Licensed Technologies" business is represented by the flow cytometry technology, which was sold in February 2023 consistently with the initial priorities defined by the Diasorin Group to focus on the most strategic businesses.

Business ('Business') and strategies ('Strategy') paragraphs of this Report provide a full and detailed description of the Group's business model, mission and structure.

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

Step 1: Raw Materials and Product Development

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

Step 2: Manufacturing

Immunodiagnostics	Molecular Diagnostics	Licensed Technologies
The kits are assembled using raw materials, the origin of which can be synthetic or biological (human or animal), to create semi-finished components that will be later combined with other components to produce final reagents, as part of a completed kit. Some initial components, such as buffers and cleaning solutions, can be found in different products and prepared in large batches that will be distributed, at the end of the process, in single kits. Other components (such as solids, markers, controls and calibrators, etc.) are specifically designed for each single test. Production levels are defined on the basis of batch size of the end product. Each component is subject to the strictest quality control before entering the market. Kit components are assembled in finished kits and subject to quality control, in terms of performance, in accordance with international standards (for example: WHO, CDC etc.) or tested vis-à-vis the performance of selected sample batches. End products are stored in temperature-controlled warehouses and distributed, through specialized logistics operators, to warehouses or local distributors to be finally delivered to end customers. End products are stored in temperature-controlled warehouses and distributed, through specialized logistics operators, to warehouses or local distributors to be finally delivered to end customers.	Products are manufactured with the use of a solution containing an exact quantity of raw material (enzymes, primers, buffers,) called reaction mix, which is dispensed into vials as part of kits available for sale. End products are stored in temperature-controlled warehouses and distributed, through specialized logistics operators, to warehouses or local distributors to be finally delivered to end customers. End products are stored in temperature-controlled warehouses and distributed, through specialized logistics operators, to warehouses or local distributors to be finally delivered to end customers.	The xMAP microsphere are produced and made available to licensees of the technology, or partners, who use these microspheres to manufacture their products and kits for various applications, including, but not limited to, transplant and molecular diagnostics, immunodiagnostics and research in the field of life sciences. The platforms used to read test results and developed using xMAP microsphere technology are produced and sold to licensees and distributors for resale. In addition to production and sales to partners Diasorin, through Luminex, sells to end users both the microspheres, which are used for the development of custom tests, and a limited number of platforms to support the aforementioned applications. By using the xMAP microspheres, Diasorin finally produces a limited number of kits featuring niche applications, which are marketed directly to customers.

Step 3: Distribution

Direct sales usually include sales made through:

- Public calls for tenders in countries which rely on public health systems, through open tendering procedures;
- Supply contracts with private customers that define the general supply terms, including costs, minimum quantities and payments terms. It should be noted that due to the need to meet the demand arising from the pandemic emergency and in line with the trend of the previous years, private national and international Lab Chains with which Diasorin interacts have strengthened and further expanded their presence (through acquisitions of small and medium-sized laboratories);
- Letters of offer used for limited sales of reagents that are not combined with analyzers;
- distribution contracts under which a third-party distributor purchases products from Diasorin and resell them on relevant markets.

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

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

IMMUNODIAGNOSTICS AND MOLECULAR DIAGNOSTICS SUPPLY CHAIN

1. RAW MATERIALS

Purchase

EXTERNAL SUPPLIERS

General
Magnetic Beads, purified water, plastic for cartridges

Biological
Antibodies, Isoluminol

Internal Production

RESEARCH AND DEVELOPMENT DEPARTMENT

2. PRODUCTION

Biology and Biochemistry Department

PRODUCTION AND PURIFICATION
Production of internal raw materials, processing of external raw materials and purification of the material in order to isolate the needed elements

STORAGE
Cell banks for the storage of raw materials or semi-finished products at the correct temperature

MANUFACTURING
From storage to mass production: antibody multiplication together with other raw materials (e.g. water, magnetic beads and other control fluids) inserted in plastic cartridges

STORAGE
Cartridges with reagents

3. DISTRIBUTION

Land, sea and air transport of reagents to logistics hubs or clients

A. Subsidiaries & sites that distribute locally

B. Distributors

CLIENTS
Hospitals, labs

2.2 The Group's approach to sustainability

The Diasorin Group's approach to sustainability stems from the business in which the Company operates. Operating in the vitro diagnostics, in fact, requires a strong focus on compliance with regulations and imposes on the Group's manufacturing structure a reduced environmental impact. Enthusiasm for science, strict compliance with rules, respect for the environment, the need to foster the entrepreneurial spirit of internal stakeholders, as well as a focus on the communities where the Group operates have always driven the development of Diasorin's strategy. In 2022, the Group initiated activities for the adoption of the 2023-2025 Sustainability Plan that outlines a series of ESG (Environment, Social, Governance) objectives. Through the adoption of this Plan, Diasorin stresses the relevance of these objectives for the Group's strategic choices both in response to the company's needs and as regards the stakeholders.

Through the plan three main objectives have been identified for each of the three ESG areas. Each area has a series of sub-objectives and detailed actions to be implemented in the three-year period. In 2023, Diasorin met all the ESG objectives set, in line with the plan. More details are provided in the following paragraphs.

The materiality analysis showed that the potential impacts that the company may generate through its activities mainly concern the research and development process of diagnostic products. Within the scope of the Group's activities, the health of people, quality of end product and ethical processes are a top priority. With reference to environmental aspects, Diasorin is involved in the generation of emissions and non-recyclable waste, some of which are a key part of the production chain of diagnostic products. A more detailed description of potential impacts towards the external environment is provided in paragraph 2.2.2 of this Report.

With reference to the environment, Diasorin's manufacturing activities have a low environmental impact. Over the years, several initiatives have been implemented to further reduce consumption and manage water resources and waste in a more environmentally conscious manner. In 2023, the company implemented several international projects aimed at offsetting the impact of manufacturing processes and activities on the environment. In this regard, through the Sustainability Plan, the Group aims to reduce its emissions and improve the energy efficiency of its activities worldwide, through several projects such as the installation of photovoltaic panels at the Italian headquarter and LED replacement at the Group's European manufacturing facilities. In addition, in 2023, in the field of Health and Safety, Diasorin further aligned its management systems with the Goals of the UN 2030 Agenda for Sustainable Development.

With reference to the importance of employees and the communities in which the Group operates, Diasorin has undertaken useful initiatives both to ensure constant training of its employees on the most relevant for its business and on security, and to nurture a passion for science in the young talents of the communities in which the Group operates. As an integral part of the Plan, several initiatives have been implemented with the aim of increasing Diasorin's commitment in terms of recognition of merit and promotion of talent, by intensifying dialogue and employee engagement. In 2023, the company decided that the social responsibility actions that had already been positively carried out at local level, had to be aligned with the main pillar of Group's social sustainability, i.e. fostering passion for science. These projects are regularly submitted to the ESG Steering Committee, which is responsible for their approval and implementation.

With reference to the Governance, the Group is committed to ensuring transparent management and communication to all internal and external stakeholders. Furthermore, the company's core business requires a constant compliance with sector-specific rules and regulations at a national and international level. In 2023, as required by the Plan, the company implemented a Group Sustainability Policy formalizing the actions under way, the definition of a structured ESG Governance and internal training activities in the field of sustainability.

2.2.1. Stakeholders of the Diasorin Group

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

Diasorin engages in direct dialogue with its stakeholders via either in-person or virtual meetings, participating in industry conferences, roadshows, forums, scientific and business-related events, or via the Group's digital channels such as its corporate website, social media networks and other additional tools.

The relationship with customers is based on customers satisfaction surveys to assess and verify that customers are satisfied with diagnostic and life science solutions developed by Diasorin.

As a company listed on the Italian stock exchange, dialogue with shareholders is extremely important to ensure that investors may understand the company's business, technologies and diagnostic solutions offered, as well as Group's strategy and culture.

2.2.2. Topics relevant to the Diasorin Group

In order to define the scope and structure of the topics presented in its Non-Financial Statement (also "NFS"), Diasorin updated its materiality analysis compared to the previous year.

In particular, according to GRI Standard 3: Material Topics 2021, the materiality analysis is the result of a due diligence process for identifying positive or negative, actual or potential impacts generated by an organization.

The analysis was therefore aimed at identifying the main impacts generated by Diasorin's activities on the economy, environment, people and human rights. This analysis identified the material topics to be duly disclosed in the NFS.

The analysis was carried out in accordance with Legislative Decree 254/16, taking into account the business in which Diasorin operates, its characteristics and evolutions in the reference period, as well as the associated risks and/or opportunities, and the Goals of the UN 2030 Agenda for Sustainable Development.

The update of the materiality analysis was divided into four steps, as envisaged by the new GRI Standard 3:

1. Understand the organization's context;
2. Identify actual and potential (positive and negative) impacts
3. Assess the significance of the impacts;
4. Prioritize the most significant impacts for reporting and determine material topics.

1. Understand the organization's context: to do so, Diasorin based its analysis on internal information sources, external sources and related regulation.

Company documents include, among others, the Non-Financial Statement prepared by the Group in the past years, the Half-Year and Annual Financial Report, the Organization, Management and Control Model for the purposes of Legislative Decree 231/2001, the press releases and the Code of Ethics. In addition to the desk analysis, the Group's relevant departments and functions have provided their support through dedicated interviews.

The external sources include, among others, documents that identify sustainable macro-trends at global level (including the Global Risk Report 2022), sectoral reference documents (including the document "EU Strategic approach to the environmental impact of drugs"), Diasorin press reviews, benchmarking analyzes against the main competitors, as well as the GRI standards and the topics referred to in Legislative Decree no. 254/16, setting out the requirements for this Non-Financial Statement.

2. Identify actual and potential (positive and negative) impacts

Following the desk analysis and interviews with the management, Diasorin identified a list of 29 impacts, which have been divided into current and potential, positive and negative, generated by the company on the economy, environment and people including the impacts on human rights, as indicated by the GRI Standard 3.

3. Assess the significance of the impacts

Assessing the significance of the impacts involved internal stakeholder engagement through meetings held with the Heads of Departments at headquarter level, and the participation of local managers from the main subsidiaries (Diasorin Inc., Diasorin Molecular LLC, Diasorin Ltd – China).

Each interviewee was asked to assign a value between 1 (irrelevant) and 6 (extremely high/unchangeable) to the magnitude of the impact and a value between 1 (poorly likely) and 4 (highly likely) to the likelihood of occurrence.

4. Prioritize the most significant impacts for reporting and determine material topics.

At the end of the analyses carried out, positive impacts were prioritized separately from negative impacts and impacts with significance ranking below 5 (on a scale of 2 to 10) were excluded. Positive and negative impacts were associated with specific material topics, also identified on the basis of the topics identified in the past reports.

Material topics of the Diasorin Group

The result of the 2023 materiality analysis consists of the list of impacts, divided into positive and negative, which are provided below in order of priority on the basis of the significance of such impacts. The representation also shows the material topic related to each impact, the complete list of which is provided at the bottom of the tables.

It should also be noted that the negative impacts relating to "Diversity and inclusion" and "Humans Rights", despite their significance was below the threshold, have been reported in the table for completeness, also in light of the activities that Diasorin already undertakes for the possible mitigation of these impacts, as described in the paragraphs of this NFS.

Topic	Impact	Actual / Potential	Significance
Positive impacts			
Training and development	Professional and personal development of employees and strengthening of skills within the company, resulting in employee satisfaction thanks to training activities and structured and transparent career pathways, as well as the achievement of individual career objectives.	Actual	|||||
	Improvement of customers' skills in a proper use of products, solutions and services provided, resulting in customer satisfaction and retention, thanks to training, communication and support activities provided during the sales of products and over time (i.e., after-sale).	Actual	|||||
	Dissemination of an organizational culture focused on ethical and transparent management of business, thanks to the policies adopted and training activities provided with particular reference to anti-corruption and anti-competitive behavior in the relations with stakeholders (employees, customers, suppliers, etc.) *(Ref Topic "Business ethics, anti-corruption and fight against anti-competitive behavior")*	Actual	|||||
Employment and dialogue with social partners	Employee satisfaction and the resulting increased company's attractiveness as a valuable employer thanks to a structured, transparent and motivating internal organization that fosters career opportunities and the dialogue with its employees and their representatives, where present.	Actual	|||||
Employee welfare	Increase in employee motivation and dissemination of a corporate culture that promotes well-being of employees thanks to the attention paid to issues such as work life balance and the provision of benefits and non-monetary benefits.	Actual	|||||
Diversity and inclusion	Creation of a diverse work environment where employees feel comfortable making decisions and feel free to add value thanks to their own specific characteristics, resulting in an increased sense of belonging and perception of fairness.	Potential	|||||
Health and safety	Dissemination of a corporate culture that is strongly focused on health and safety at work, thanks to the adoption of adequate preventive actions.	Actual	||||
Environmental Management	Overall reduction in emissions due to a proper commitment in terms of reduced energy consumption.	Potential	||||

	Reduction of environmental risks related to the waste management as a result of the policies adopted for waste reduction or proper waste disposal.	Actual	I I I I I
	Reduction of environmental risks (e.g., damage to ecosystems, biodiversity, etc.) related to water withdrawals resulting in lower water consumption thanks to an appropriate commitment in this regard.	Potential	I I I I
Management of relations with local communities	Return of value and consolidation of relations with local communities, through supporting activities addressed to such communities.	Actual	I I I I I
Business ethics, anti-corruption and fight against anti-competitive behavior	Dissemination of an organizational culture focused on ethical and transparent management of business, thanks to the policies adopted and training activities provided with particular reference to anti-corruption and anti-competitive behavior in the relations with stakeholders (employees, customers, suppliers, etc.) *(ref. Topic "Training and development")*	Actual	I I I I I
Research, innovation and technological excellence & Quality of products and processes	Improvement of quality of products and processes and expansion of the products range offered on the market thanks to R&D investments and an adequate management of innovation and quality processes adopted within the company to ensure an effective response to the rapid evolutions of the external needs, in full compliance with the product and process standards established by the competent authorities.	Actual	I I I I I I
Customer satisfaction	High customer responsiveness and ability to intercept any new emerging trends or areas for improvement, thanks to a proper monitoring of the relationship.	Actual	I I I I I
Human Rights	With reference to the Group's Sustainability policy, protection of human rights, both as part of the activities carried out by the different corporate facilities in the countries where the Group operates, and as part of the relations with suppliers.	Actual	I I I I
Negative impacts			
Training and development	Poor and unsuitable employees' skills and limited career pathways as a result of inadequate or poor training activities resulting in employees' dissatisfaction.	Potential	I I
	Inadequate customer support during the delivery of products, solutions or services, resulting in customer dissatisfaction and possible interruption of the commercial relationship, due to inadequate training and communication activities.	Potential	I I I
Employment and dialogue	Employee dissatisfaction and decrease in company attractiveness due to inadequate employee management (e.g., unclear procedures, unfair conduct among different	Potential	I I I

with social partners	entities or business areas, etc.) and lack of attention to the relations with employees and their representatives, if present, even on the occasion of any reorganizations.		
Employee welfare	Decrease in employee motivation and, as a consequence, deterioration in the work environment and employee performance due to lack of attention by Diasorin towards corporate welfare policies.	Potential	| | |
Diversity and inclusion	Prevalence of people belonging to overrepresented groups - gender, ethnic group, religion - in the top management that could create a workplace environment hindering the development of diversified ideas and increasing the perception of unfair conduct (e.g., gender pay gap), if proper attention is not paid to inclusion and diversity.	Potential	| | |
Health and safety	Increase in the rate of workplace injuries and accidents due to a poor management of employee's health and safety resulting in reputational damage and loss of credibility in the eyes of stakeholders and employees.	Potential	| |
Environmental Management	Increase in emissions as a result of a lack of or inappropriate energy consumption both for manufacturing facilities and for offices.	Potential	| |
	Environmental damages to ecosystems, biodiversity and aquifers, among others, as result of inappropriate waste disposal (e.g.: lack of policies and/or inadequate application of current policies).	Potential	| | |
	Increase in environmental risks (e.g., damage to ecosystems, biodiversity, etc.) related to water withdrawals resulting in increased water consumption due to an inadequate commitment in this regard.	Potential	| |
	Possible sanctions if the environmental standards provided for by national and supranational authorities are not adequately complied with, with consequent economic losses and reputational damage.	Potential	| |
Management of relations with local communities	Decrease in corporate attractiveness and in its value for local communities due to lack of attention towards the communities where Diasorin operates.	Potential	|
Business ethics, anti-corruption and fight against anti-competitive behavior	Behaviors that do not comply with an ethical conduct of the business (e.g.: corruption) within the relations among public or private entities and resulting in reputational damage.	Potential	| | |
Research, innovation and technological excellence &	Reduction in quality of products and processes and in the product range available on the market due to limited R&D investments and an internal process management that is unable to respond to the rapid market evolutions and does	Potential	| | |

Quality of products and processes	not fully comply with product and process standards required by the competent authorities.		
Customer satisfaction	Decrease in customer responsiveness and in the ability to intercept any new emerging trends or areas for improvement, due to inadequate monitoring of the relationship.	Potential	I I I
Human Rights	Episodes of human rights violation both as part of the activities carried out by the different corporate facilities in the countries where the Group operates, and as part of the relations with suppliers, resulting in reputational damage	Potential	I

The analysis carried out confirmed the materiality of topics that are similar to those identified in the previous reports. The material topics identified, which are duly reported in these Non-Financial Statement, are as follows:

Research, innovation and technological excellence	The topic refers to the promotion of research and development, new partnerships with research institutes and the adoption of new technological solutions to ensure innovation in processes and development of products.
Quality of products and processes	The topic refers to the constant supply of high-quality products to support diagnostic activity and protect the consumer's health, ensuring a relationship based on honesty, fairness, efficiency and professionalism.
Employee welfare	The topic refers to the promotion of employees' well-being through the development of welfare projects and the implementation of activities to improve work-life balance
Business ethics, anti-corruption and fight against anti-competitive behavior	The topic refers to the development of a corporate culture that complies with business ethics, with a particular focus on the fight against corruption and anti-competitive behaviors aimed at preventing, limiting or distorting fair market competition.
Customer satisfaction	The topic refers to the attention paid to customers both in terms of dialogue and engagement (for example through Customer Satisfaction Surveys) and support during the use and supply of products and services.
Employment and dialogue with social partners	The topic refers to a correct employee management through the adoption of adequate management processes of human resources, as well as the attention paid to relations with human resources and employee representatives.
Diversity and inclusion	The topic refers to the promotion of a work environment based on the principles of diversity and inclusion, ensuring equal opportunities for

	workers regardless of their gender, age, nationality, religion, sexual orientation or any other condition.
Training and development	The topic refers to the implementation of on-going, both formal and informal, training programs to provide employees and also partners and customers with high-level knowledge in order to increase skills along the value chain and, internally, foster career development.
Management of relations with local communities	The topic refers to the collaboration with organizations, local and non-profit institutions to support projects related to the Diasorin Group's core business (including, by way of example, awareness-raising initiatives on health issues, support to local health facilities, the financing of training projects in the scientific field) in order to promote the long-term development of communities in which the Group operates.
Human Rights	The topic refers to the dissemination of a corporate culture which is committed to safeguarding human rights along the whole value chain and in the relationship with the stakeholders whom the Group interacts with in the course of its activities in the countries where Diasorin operates.
Health and safety	The topic refers to the dissemination of a corporate culture which is very attentive to the health and safety of its employees, in order to prevent and minimize their work-related risk exposure (accidents and occupational diseases).
Environmental Management	The topic refers to the promotion of greater energy efficiency and reduction in greenhouse gases emissions. It also refers to the optimization of water consumption and responsible waste management.

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

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

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

Diasorin identified the following SDGs within its business model for 2023. Diasorin also correlated the material topics emerging from the materiality matrix with the SDGs identified, as illustrated in the table below.

MATERIAL TOPICS	Sustainable Development Goals		
Employee training and development	4		
Employment and Dialogue with social partners	8		
Welfare of employees	3	8	
Diversity and Inclusion	8	10	
Health and Safety	3		
Environment	12	13	7
Relationship with local communities	4	17	
Anti-corruption and fight against anticompetitive behaviors	16		
Research, develooment and technolodica excellence	3	9	17
Customer satisfaction			n/a
Products and process quality	12		
Human Rights	8	10	

2.3 The Group's Code of Ethics

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

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

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

With specific reference to the employees, for reasons of efficiency, traceability and lower environmental impact, each employee underwrites a statement of acknowledgement of the Code of Ethics, which is published on the Company's website, at the moment in which the employment relationship is established.

The Code of Ethics is also subject to a specific Group procedure made available on the document management system and subject to specific approval signed by employees.

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

On 15 July 2023, the Group's Italian companies adopted a specific electronic platform to report any violations to the Code of Ethics, the Model 231 or, in general, to report unlawful behaviors, in compliance with Legislative Decree 24/2023.

In order to provide a centralized management of whistleblowing and ensure confidentiality and protection of whistleblowers from any retaliatory conduct, the Company implemented a Whistleblowing Committee in charge of receiving whistleblowing, carrying out preliminary activities and, if there are the conditions, involving the company functions responsible for applying disciplinary sanctions, contractual remedies or submitting complaints to the Judicial Authority.

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

Third parties who are not Group's employees and are found guilty of violations of the Code of Ethics shall be sanctioned according to the remedies contractually envisaged (in general the termination of contract), without prejudice to the request for compensation for damages.

The Code of Ethics of the Diasorin Group can be consulted at:

https://int.Diasorin.com/it/azienda/governance/documenti/codice-etico

As a result of the acquisition of Luminex Corporation, completed in July 2021, the company carried out a harmonization project which involved, among other things, the analysis and harmonization of the respective compliance systems, including the Codes of Ethics, in compliance with the organizational autonomy of the subsidiary and the specificities deriving from local legislation.

Luminex has already its own Code of Compliance aimed at promoting high ethical standards in its relationships with customers, strategic partners, competitors, employees and public authorities, in accordance with US state and federal legislation, as well as international principles and applicable ISO standards. Luminex has started to implement the Group's Code of Ethics within its business processes.

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

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

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

Following completion of the redefinition of the corporate structure, which was implemented through the contribution in kind of the business branch related to the operating activities carried out in Italy and in the United Kingdom in favor of Diasorin Italia S.p.A., in 2022 the Model was revised to update the "General Section" and implement a "Special Section" composed of decision-making protocols for each corporate areas (the so-called "mapping of at-risk activities") exposed to the risk of committing the crimes specified by Legislative Decree 231/01 (the so-called "mapping of at-risk activities").

The Special Section is composed of 21 decision-making protocols aimed at identifying for each sensitive activity in relation to the risk of committing alleged crimes, the possible operating implementation and measures aimed at preventing their commission and the applicable rules of conduct.

In 2023, the company implemented the project to adjust the Model to Law Decree 105/2023, in reference to the expansion of the alleged offences, with 3 new types of crimes for which a risk assessment activity is planned and subsequent updating of the impacted protocols, with the addition of potential activity constituting the new types of crimes and, where necessary, through the planning of new actions to mitigate the risk of crime.

Also the transferee company Diasorin Italia S.p.A. adopted its own Organizational Model, pursuant to Legislative Decree 231/2001, and its structure and methodology are in line with the Parent Company's Model.

Although the Model was adopted to comply with domestic regulation, all the Diasorin Group's companies have adopted similar principles and constraints in order to provide all Diasorin stakeholders with a high degree of compliance with and adherence to corporate processes.

From June 30, 2019, the Company has adopted an online platform dedicated to the management of reports of offences or violations relating to the Model and other ethical violations (the so-called whistleblowing), developed in compliance with Legislative Decree 231/2001 and made operational from June 30, 2019 both for the employees of the Parent Company DiaSorin S.p.A. and for other Group companies.

As already mentioned in the previous paragraph 2.3, to which reference is made for further details, on July 15, 2023, the Italian companies belonging to the Group were equipped with a dedicated electronic platform for managing whistleblowing complaints received on violations and breaches of the Code of Ethics, Model 231 or, in general, unlawful conducts in compliance with the requirements set by Legislative Decree 24/2023.

In 2023, no complaints were received through the whistleblowing platform.

2.5 Governance

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

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

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

The Board of Directors on December 16, 2021 resolved to assign the Control, Risk and Sustainability Committee the task of supporting the Board of Directors in the examination and approval of the Company's and the Group's business plan, also on the basis of the analysis of the topics relevant to the long-term value generation. This task was confirmed during the last renewal of the Board of Directors on April 29, 2022.

2.6 Tax management

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

In order to meet the interests of its Stakeholders the Group, even though it has not yet implemented a tax strategy, pursues an approach that is fully oriented to the utmost responsibility towards the management of tax matters, by monitoring their risk through the Corporate Tax Function and other corporate control functions. In each Group company, the Finance Manager /CFO is responsible for tax matters and is assisted by external consultants, the local Tax Director, where present, and the Group Tax Director.

The Group introduced a decision-making Protocol in its Organizational Model, pursuant to Legislative Decree 231/2001 (the "Protocol"), which is entirely dedicated to the assessment and mitigation of tax risks, specifically tax offences provided for in Articles 2, 3, 4, 5, 8, 10, 10-quater and 11 of Legislative Decree 74/2000, as referred to in Article 25-quinquiesdecies of the Decree, as amended by the entry into force of the Legislative Decree 156/2022.

Procedures to report critical tax issues are the same as those adopted by the Group for non-ethical or unlawful conduct, as described in Section "2.4 DiaSorin S.p.A. Organizational and Management Model" of this Report.

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

In 2023, the Group's income taxes amounted to € 36,996 thousand, with a 20.7% tax rate. 49.5% of total income taxes was paid in the United States, while the remaining part was paid in the countries where the Group operates.

Acknowledging the relevance of the topic, the Group implemented a structured process to report the quantitative indicators as required by the GRI Standard 207-4. Further information referring to 2022 reporting year is provided in the table at the bottom of the Non-Financial Statement.

2.7 Taxonomy

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

As from 2021 Non-Financial disclosure, some companies – including the Diasorin Group – fall under the new disclosure obligations defined by Art. 8 of Reg. EU 2020/852, the so-called "EU Taxonomy", or "European Taxonomy".

The European Taxonomy sets a classification system for economic activities aimed at determining the extent to which business activities can be considered environmentally sustainable in order to ensure greater reliability, coherence and comparability among sustainable economic activities, help investors making more informed decisions and comply with the European Green Deal.

In 2021 the Regulation, which defines six environmental and climate objectives, was followed by the publication of the first delegated acts (2021/2139) relating to the first two objectives (climate change mitigation and climate change adaptation) containing the technical screening criteria that allow the identification of the aligned activities pursuant to the EU Taxonomy and the publication of the Delegated Act under Art.8 (2021/2178) which specifies the content and presentation of information to be disclosed by undertakings. In 2023, two further Delegated Acts were published, namely the Delegated Act containing additional activities relating to climate objectives (2023/2485) and the Delegated Act presenting eligible economic activities and alignment criteria for the remaining four environmental objectives (2023/2486). The latter includes activities and technical screening criteria for the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystem, as well as changes to reporting requirements.

For the current year of application of the Regulation, non-financial companies, including Diasorin, are therefore required to provide a disclosure indicating turnover variables (Turnover), capital expenditure (CapEx) and operating expenses (OpEx) associated with:

- eligible and aligned business activities in relation to activities published in 2021, and contributing to climate objectives, and
- eligible business activities in relation to the new activities published in 2023 and contributing to six environmental objectives.

From next year, companies will be required to report the alignment of all the economic activities contributing to six environmental objectives included in Taxonomy.

Therefore, the Group endeavored to carry out an analysis of its activities with the aim of understanding which of these could be considered "Taxonomy eligible" or "Taxonomy aligned". Taxonomy alignment requires that an activity meets all the applicable Taxonomy requirements. Only when an activity meets the technical screening criteria and does not cause significant harm to any of the other environmental objectives (according to the DNSH principle – Do Not Significant Harm) and meets the minimum safeguard criteria related to those activities then it can be defined as Taxonomy-aligned.

The eligibility analysis was carried out in 2023 through interviews with the corporate departments that are most directly involved in the Group's sustainable activities, and through the analysis of business activities and classification of economic activities according to NACE codes. The eligibility analysis took also into account the new activities introduced in the EU Taxonomy framework in 2023.

With regard to Turnover, economic activities generating Group revenues fall within the medical diagnostics area, along with research, manufacturing and sale of products as part of Diasorin's core business. For this reason, the Group included the manufacturing activities proposed by Taxonomy into the prevention and control pollution objective. Nonetheless, Group's activities were not considered as being eligible and were not reported as current regulation does not include eligibility criteria for the vitro diagnostics. The Group will carry out the analysis again in 2024 in light of any new guidelines. Therefore, the value of eligible Turnover is reported with a value equal to zero. More details on the breakdown of revenues are provided in the Explanatory Note.

The EU Taxonomy has identified, in Annex I of the Delegated Act relating to art. 8, three different types of capital expenditure (CapEx) and operating expenses (OpEx) that could be used for the calculation of key performance indicators. With reference to "type A", which identifies CapEx/OpEx associated with Taxonomy-aligned activities and to "type B" which refers to CapEx/OpEx associated with expanding green activities, that is activities linked to plans to make an activity taxonomy-aligned within a period of five years, the Diasorin Group did not identify any activity falling into this scope. In relation to the CapEx/OpEx of "type C" associated with internal sustainable activities and related to the purchase of products from Taxonomy-aligned economic activities and measures that make it possible to reduce the environmental impact or GHS emissions, the Company carried out detailed analysis involving the managers of the different Group's areas and subsidiaries in order to identify potentially aligned items.

In this regard, the analyses carried out showed that the Diasorin Group made investments, in 2023, to restructure the Luminex facility in Northbrook and the new manufacturing and research facility in China. Investments were made to install, maintain and repair energy efficiency devices. Therefore, eligible values meeting the criteria required refer exclusively to expenditure (CapEx).

The Group also acknowledged eligible OpEx relating to the same cases mentioned above. However, it should be noted that in relation to the alignment analysis with the criteria above, to date none of the investments or OpEx carried out can be defined as "aligned".

Reporting of the above is detailed in the Annex to this document.

Values of eligible CapEx and OpEx were identified by carrying out a reconciliation to the activities set out in the Regulation. The denominators of Turnover, CapEx and OpEx were determined in compliance with the Delegated Act on art. 8 (2021/2178). Further information on the denominator of Turnover is provided in the Consolidated Income Statement of the Group. Information on the denominator of CapEx is provided in the consolidated Balance Sheet of the Group. It should be noted that the value of the OpEx denominator was determined including R&D costs; building renovation costs; leasing costs; maintenance and repair costs and all other direct costs related to the day-to-day use of the assets (such as cleaning costs).

3. Identification of risks and opportunities

This section describes the main risks and the opportunities deriving from the Diasorin Group's activities, business relations and products.

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

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

3.1 Topics relating to ethical business practices, fighting against corruption and anti-competitive behavior

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

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

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

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

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

- Private certification bodies, during audits aimed at obtaining certifications;

- Companies and private parties during purchase and sale processes.

3.2 Quality of products and processes

The main risk identified in the topic "Quality of product and process" is linked to **non-compliance with laws and regulations** applicable to products sold in different markets and which can result in potential sanctions or legal proceedings, as well as in loss of competitiveness due to failure to comply, also in timely manner, with new provisions.

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

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

The main risk identified in the management of the supply chain is linked to **non-compliance of purchased products or services** with the Group's **quality requirements** and **local regulatory requirements**, resulting in a negative impact on quality and efficacy of end products.

The main "critical" purchases for the core business, products or services having a direct impact on compliance with end product requirements are managed by the Group's manufacturing facilities. The Group companies purchase their products from consolidated multinational companies located in countries that do not pose a high risk concerning social issues relating to employees, respect for human rights and fight against corruption.

A further critical issue is represented by the **supply risk**, or the temporary unavailability of raw materials required for production, due to the increase in market variability, the onset of unexpected emergency situations, the introduction of new regulations, increased stakeholders' awareness about specific issues, as well as increasing difficulty of qualifying alternative sources. This type of risk may lead to customer dissatisfaction with repercussions in economic and reputational terms.

3.3 Customer satisfaction

The main risk identified in relation to "Customer Satisfaction" is **lack of attention to the customers' needs**. Dialogue with customers takes place through various channels, such as customer satisfaction surveys or daily interaction activities. Lack of attention could lead to the risk of not identifying emerging critical trends in the market or potential aspects for improvement, both as to technological updating and to new organizational structures of customers the Group deals with. Lack of analysis or not sharing customer complaints at Group level could jeopardize the timely implementation of corrective and of preventive actions for their resolution. Finally, to meet customers' needs, also following the IVDR, a post market surveillance activity is carried out regarding customers' opinion about the products.

3.4 Topics relating to research, innovation and technological excellence

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

The Innovation Process, which was fully implemented in 2019 and is currently under adoption and integration by the newly acquired Luminex Corporation, ensures the structured involvement of any source of new ideas concerning kits and instruments, in order to **continue delivering innovation excellence also in new clinical areas (Innovation domains) and in cases of extraordinary needs or specific opportunities.**

The current Corporate Innovation Process allows to carry out some key analyses before the development phase of the product, **thus allowing a prior assessment of any risks and opportunities concerning both the investments through threshold criteria and development time.**

3.5 Employee-related topics

3.5.1. Occupational Health and Safety

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

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

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

3.5.2. Focus on workers

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

- **Selection of key skills:** failure to identify on the market key skills that are in line with the company values and culture would undermine the long-term value and increase the turnover rate;
- **Retention and engagement of highly qualified and skilled personnel:** engagement of employees and attention to turnover rates are key elements to ensure retention of know-how and key skills;
- **Employee training and development**: given the high technical-scientific profile of Diasorin employees, lack of actions aimed at maintaining and updating knowledge would have particularly significant impacts. This aspect is even more evident considering the nature of the Group's business, which is focused on knowledge and characterized by continuous evolution. For this reason, the Group developed a structured path for employee training and development starting from their first day in the Company.

3.5.3. Personnel wellbeing and dialogue with employees and social partners

With reference to "Personnel wellbeing" it should be noted that **lack of attention to employees' needs** would negatively impact staff motivation and satisfaction, affecting the workplace and the sense of belonging to the Company/Group;

Maintaining a constructive and continuous **dialogue** is an opportunity to interact with employees and social partners and develop positive relationships, based on mutual respect and trust. The Company has long been actively engaged in addressing this topic through programs aimed at involving people and strengthening their sense of belonging to the Group.

3.5.4. Diversity and inclusion

The Diasorin Group does not see specific risks relating to " diversity and inclusion", but identifies a correct and careful management of this aspect in all the Group's Legal Entities, through the integration and promotion of diversity - an opportunity to **create a work environment that fosters creativity and dialogue**. The cultural integration between Diasorin and Luminex, in addition to the evolutions of the last years, help Group's people diversify and enrich their skills, acting according to specific Guiding Values. In this new corporate identity, diversity and inclusion, which are a key driving force for excellence and innovation, are translated into heterogeneous work groups (by culture, gender, religion, etc., but also by generation and seniority) and in a new and more complete mix of skills. Dialogue and collaboration breed innovative solutions and opportunities contributing to the realization of the corporate mission: improving the health and life of people worldwide through high-quality, fast and reliable diagnostic tests.

3.6 Social topics and respect for human rights

3.6.1 Relations with local communities

The Diasorin Group does not see specific risks relating to relations with local communities but the topic represents an opportunity: the development of communities in which the Group is present along with people training and the development of individual skills in the different countries where the Group operates may help create and maintain an environment favorable to business and innovation. Supporting local communities is, thus, a sustainability investment for Diasorin's long-term business.

3.6.2 Respect for human rights

Risks relating to "**Respect for human rights**" are deemed to be quite irrelevant to the DiaSorin Group, in relation to both company's employees and external staff.

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

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

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

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

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

Finally, it should be noted that Board of Directors on December 15, 2023 approved the Policy on Sustainability and Respect of Human Rights which, among other things, confirms adherence to the principles of the United Nations Global Compact ("UNGC"), with the aim of promoting the culture of corporate social responsibility by sharing, implementing and disseminating common principles and values in the areas of human rights, labor, environment, and fight against corruption.

In particular, in line with the Group Code of Ethics, in conducting its business Diasorin aims to avoid any behavior, act or decision that may result in, or contribute to, a negative impact on human rights. The Group is therefore committed to promoting respect for these rights in its dealings with employees, contractors, business partners, suppliers, and by anyone who has dealings with the Company, paying particular attention to the contexts that present the greatest risks.

The Policy on Sustainability and respect of Human Rights is available at: https://int.Diasorin.com/it/sostenibilita/report

3.7 Topics relating to environmental management

3.7.1 Waste management

The Diasorin Group identified the main risk relating to "Waste management" in **non-compliance** with regulations on **handling waste** generated and related disposal.

The Group's handles waste in accordance with the specific regulation on the issue.

3.7.2. Energy efficiency, emissions and management of water resources

The Diasorin Group sees no specific risks relating to energy efficiency and management of water resources, since the company's core business is not part of an energy intensive sector nor requires relevant water consumption.

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

4. Ethical business practices, fight against corruption and anti-competitive behavior

4.1 Diasorin's commitments and reference principles

With regard to the risks relating to "Ethical business practices, fight against corruption and anti-competitive behavior", the rules and standards of conduct, which the Directors and employees of all Group Companies, as well as the parties or Companies acting in the name and on behalf of one or more Group Companies must comply with, are formalized within the **Group Code of Ethics** and Model 231 adopted by the Parent Company.

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

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

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

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

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

Compliance with the above is supervised and monitored by the Supervisory Body of DiaSorin S.p.A. and Diasorin Italia S.p.A. who receives reports regarding violations of the Code of Ethics and verifies and assesses that the disciplinary and sanctioning system is suitable and effective

As a member of the sector association EDMA (European Diagnostic Manufacturers Association), associated with MedTech Europe[4] the Diasorin Group has been adhering for several years to the "MedTech Europe Code of Ethical Business Practice" (hereinafter "**MedTech Code** "). The Code regulates all aspects of interactions between companies and Healthcare professionals/ organizations, in compliance with the highest ethical standards and with an appropriate level of transparency. Diasorin has therefore integrated the provisions of the MedTech Code into its Group Code of Ethics carrying out specific training activities over the time, also in light of the adoption of the dedicated Group procedure (GOP 23.5011 "MedTech provisions").

[4] MedTech Europe is the European association representing the medical technological industries, from diagnosis to cure.

4.2 Instruments adopted

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

Audit activities carried out by the Internal Audit Function

Formal acceptance of the Code of Ethics from Group Companies' employees is periodically monitored by the Internal Audit Function of the Group. Such audits are included in the Audit Plan. The Internal Audit Function carries out spot checks, on an annual basis, on the Group Companies to assess that new hires adhere to the Code of Ethics principles. As from 2022, audits have been made easier and even more traceable on the back of the procedure computerization to accept the Code of Ethics which employees are required to abide by. The Code, in fact, has been made available on the Smart Solve system. Employees access the system which formalizes and tracks their acceptance of the Code.

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

Audits are reported to the Control, Risk and Sustainability Committee and the results submitted to the Group's Board of Statutory Auditors and Board of Directors, in accordance with the current Guidelines of the Internal Control and Risk Management System, which has been recently updated on August 4, 2023.

Training activities

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

4.3 Results

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

Employees involved in anti-corruption training and communication	**2021**	**2022**	**2023**
Executives	67	44	166
White collars	912	717	1,754
Blue collars	195	253	461
Total number of employees	**1,174**	**1,014**	**2,381**

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

In 2023, a frontal training course on the Special Parts of the updated models was delivered to employees of DiaSorin S.p.A. and Diasorin Italia. The training and awareness-raising initiative was divided into modules dedicated to the various corporate departments involved, and dealt with the decision-making protocols applied to the corporate processes that fall within their remit. The training sessions, which were recorded to be provided to new hires, if necessary, closed with a learning test.

In 2023, no case of corruption was reported.

5. Quality of products and processes

5.1 Diasorin's commitments and reference principles

In order to provide a structured management of all aspects relating to quality of products, including the supply chain management, Diasorin's and Luminex's manufacturing facilities adopt a Quality Management System in compliance with the European Directive IVD MD 98/79 EC, and European Regulation 2017/746 on in vitro diagnostic medical devices (IVD-R),
, EN ISO 9001:2015 standards (Quality Management System Requirements), UNI EN ISO 13485:2016 / A11:2021/ (Medical Devices. Quality Management Systems. Requirements for Regulatory Purposes) - in compliance with the US Code of Federal Regulation ("21CFR Part 820" Food and Drug Administration) - and in accordance with local regulations applicable to markets where the Diasorin Group's products are registered and distributed.
An example is the NMPA Regulation which the new Chinese facility is required to abide by.

With the exception of Luminex's, all manufacturing facilities that are part of the Diasorin Group and distribute their products on the European market received in 2022 the IVD-R certification for the Quality System, through audits by the regulatory bodies. Furthermore, manufacturing facility are completing the certifications of products to comply with regulatory measures. Luminex's facilities will be audited and certified for the Quality System in accordance with the IVD-R requirements in 2024.

The IVD-R Regulation entered into force for certain classes of products in May 2022, replacing the previous EU Directive 98/79/EC. The European Commission approved the extension of the transition period in compliance with the Regulation and the deadline will be on May 26, 2027. The Group is working to comply with the deadline provided above.

Due to the United Kingdom's exit from the European Union, Diasorin was required, in accordance with the deadlines provided, to adjust certain procedures and processes to the different Regulations adopted in the UK where the Group actively operates. To date, the situation is constantly monitored in order to better respond to the ongoing developments.

Where possible, Group companies undertake to consult consumer protection associations for the projects that have a major impact on customers. Behavior standards adopted by Group companies in dealing with customers are inspired by safety, assistance, availability, respect and politeness aimed at mutual trust, strong cooperation and high technical expertise. The primary objective of the Group is to fully satisfy its customers, creating a relationship based on honesty, fairness, efficiency and professionalism in compliance with the obligations of both parties and with the laws and rules contained in the Code of Ethics.

5.2 Instruments adopted.

The following provides the main instruments adopted by the Diasorin Group to manage and mitigate the risks relating to "Quality of products and processes".

Organizational structure of the Quality Management

The Corporate QA&RA&CA Function (Quality, Assurance, Regulatory Assurance and Clinical Affairs) reports directly to the Chief Executive Officer of DiaSorin S.p.A., thus ensuring the independence and authority necessary for the Function to ensure the utmost attention to the adoption of regulatory demands and global Quality principles and their timely implementation. It is a Corporate organization and plays a transversal reference role both for all manufacturing facilities and commercial branches, ensuring the effective and efficient application of the Quality System for the whole Diasorin Group.

The Corporate QA&RA &CA Function is responsible for:

- ✓ Monitoring the new regulations applicable to the IVD MD sector and communicating them to manufacturing facilities and commercial branches;
- ✓ Supporting facilities and subsidiaries in implementing new provisions that have an impact at a Group level, managing or supervising specific inter-site projects;
- ✓ Harmonizing Quality Systems rules across all facilities and subsidiaries through Group Operating Procedures (GOPs) and ensuring their correct application, at a local level, by facilities and subsidiaries;
- ✓ Monitoring compliance with the Quality System (QS) requirements within the Diasorin Group by means of Internal Audits, either announced or unannounced;
- ✓ Monitoring customers' complaints at Group level;
- ✓ Supporting all facilities and companies on audit activities carried out by Third-Parties;
- ✓ Monitoring that the results of Third-Party's or Corporate audits received by a single site are shared with the others in order to allow a cross-assessment to identify QS non-compliance and resolve it promptly, with a harmonized approach;
- ✓ Supporting sites on Medical Oversight and implementing product recall procedures;
- ✓ Supporting sites in monitoring the performance of Diasorin' critical suppliers.

In the second half of 2021 and in 2022 and 2023, Diasorin started to integrate quality processes within all Luminex sites in accordance with Group standards. In particular, in the last two years, Quality and Regulatory processes were extended to all Luminex sites.

The "Corporate QA&RA&CA" Function monitored the following projects in the last years:

A) **Transposition of recent new regulations**

- With reference to Diasorin manufacturing facilities, in 2022 the company completed its inter-site project, started in 2017, concerning the adjustment to the new European Regulation 2017/746, which replaces the current European Directive IVD MD 98/79 EC concerning the QMS (Quality Management System), thus obtaining the resulting CE IVD-R certificates. The certification of products is still in progress and, according to the risk class of products, the company is working to obtain the certification according to the deadlines required, in any case by May 2027.
- over the last years, all Diasorin's and Luminex's manufacturing sites successfully passed the QMS audits conducted by their Notified Body, the US Food and Drug Administration and the Competent Authorities of the Export Countries where Diasorin and Luminex products are registered and distributed; the Company was therefore able to maintain the Certifications and approvals necessary to distribute in Export Countries, keeping the Group's business unaltered;
- with regard to the new Chinese facility, in 2023 construction and validation of premises, plants and manufacturing equipment was completed and manufacturing processes validated. These manufacturing processes concern the first products that will be evaluated and approved by the Chinese Regulatory Authority (NMPA). A new procedural schedule was created to support the operational part of the manufacturing process and allow the distribution of products produced in China as soon as the certification is obtained following the site audit scheduled for early 2024 by the NMPA.

B) **Maintaining certified quality systems of Diasorin Group's manufacturing sites**

With reference to the quality system kept by Diasorin's sites, the following is a summary table of the number of audits carried out over the last three years at the Group's manufacturing facilities. Audits were carried out by the Notified Bodies and various Competent Authorities of the Export Countries where Diasorin products are registered and distributed:

Group's manufacturing facilities	2021	2022	2023	Total site
Italy, Saluggia	1	1	3	**5**
United Kingdom, Dartford	1	2	3	**6**
Germany, Dietzenbach	1	1	1	**3**
USA, Cypress	3	2	3	**8**
USA, Stillwater	2	2	1	**5**
Luminex's sites (Austin, Chicago, Madison, Toronto)	3	6	10	**19**
Total year	**11**	**14**	**21**	**46**

From 2021 to 2023 an upward trend was reported in the number of audits received by Notified Bodies, the US Food and Drug Administration and certain Competent Authorities from Export Countries (Canada, Brazil), with a significant peak in 2023.

All facilities passed the audits in the three-year reporting period. No indication of critical issue having an impact on the Group's business was found.

C) **Improvement and harmonization projects among Diasorin facilities**:

- in May 2021, the Company completed the implementation of the inter-site project initiated in 2018 and sponsored and managed by the "Corporate QA&RA&CA" Function with the aim of implementing, in all the Group's sites and at Corporate level, the same software for the harmonized management of QMS aspects on an electronic platform (Smart Solve), sharing the same rules and methods. Unlike the initial project, the Company planned two supplementary modules with a focus on training planning and registration and on the management of the quality system's documents; the implementation of the system was completed at the new Chinese site in 2022. In 2023, the company continued the activity started in January 2022 for the implementation of the SmartSolve platform. Such activity will be completed in 2024 and 2025, in line with the project timeline;
- In 2023, Diasorin launched a new project to adopt a harmonized process among all Group's sites for the validation of manufacturing processes to ensure a common method that is perfectly aligned with the guidelines and requirements of QMS applicable. The definition and shared implementation of a Group procedure will be completed by early 2024, and then implemented locally.
- In 2023, the Diasorin Group's Quality and Regulatory procedures (Group Operating Procedure) were transposed to the Luminex's sites, to ensure a harmonized management of related processes and in compliance with the QMS requirements applicable. The transposition to Luminex also concerned some Group's procedures pertaining to other Bodies with transversal responsibility over several Diasorin/Luminex's sites. This activity will continue in the coming years on the basis of needs and priorities defined by such Bodies.

Supply chain management

The supply chain management is crucial to ensure that products and services purchased comply with the Group's quality requirements and local regulatory requirements

A screening activity was carried out to understand the current supply chain management of the Luminex's facilities acquired in 2021 and assess the opportunity and the best procedures for harmonizing processes across the Group, to be carried out in collaboration with Quality managers.

The following paragraph provides the main evolutions of the Group supply chain management and the key instruments adopted.

Reorganization of the supply chain

In the past years, the organization of the supply chain management of the Diasorin Group envisaged that "critical" purchases (i.e. products and services with a direct impact on compliance with the requirements of the end product) were mainly managed locally by the Group's manufacturing sites, with the exception of some categories of purchases which, as they are relevant for several manufacturing sites due to the high risk associated with the impact on the finished product or due to the high unit value, were managed before the introduction of Diasorin S.p.A holding in 2022, at Corporate level, by the former Global Procurement function (today headed by Diasorin Italia S.p.A) and represented the largest share of the Group's purchases.

In order to increase supervision and efficiency, in 2017 the Diasorin Group began to reorganize the entire process of the supply chain management, with the aim of centralizing and progressively harmonizing the purchasing processes of manufacturing Companies and, consequently, acquiring greater central control over Group's suppliers.

The project, which to date does not include the Luminex Companies and whose implementation ended in 2022, is structured along three main axes:

- **Organization**
  Redefinition of central and local responsibilities and a central role assigned to the Global Procurement Department to handle purchases at Group level; to this end, the corporate Purchasing team was reorganized and strengthened with new hires in order to implement a central governance activity that works closely with managers at local level, through business reviews and regular meetings. This first stage, completed in 2020, was followed in 2021 and 2022 by a second stage aimed at identifying staff to reinforce local levels and ensure centralized supervision of some specific purchases with a strong territorial identity.

- **Process standardization**
  Through the harmonization of the different local purchasing processes that had been previously managed independently by manufacturing branches through various tools and information systems; purchasing guidelines were approved and distributed in 2020, with the dual purpose of defining rules to be applied locally within the Purchasing department and instructing on rules, behaviors and best practices those who carry out purchasing activities, even though they do not belonging to the Purchasing department; In addition Group Operating Procedures were issued to make part of the Guidelines more effective.

- **Management efficiency**
  This topic involves the identification of purchases that needed to be managed at central level (e.g., suppliers shared by several manufacturing facilities) and those that need to be managed at an intermediate level given the territorial nature of some supplies. A centralized reorganization was implemented and the relevant designated parties were identified on the basis of the above findings.

The project involved the introduction of an IT cloud platform (BRAVO), at Group level, for complete management of relations with suppliers, starting from qualification to the drawing-up of contracts, including negotiation. This long-term project, which initially envisaged 4 modules with the addition of a fifth one, was completed in 2021. After a first phase during which, in 20202, the platform was implemented at DiaSorin S.p.A. (since 2022 Diasorin Italia S.p.A.) and DiaSorin Inc. companies, the adoption of the modules was extended to and completed, in 2021, in all the immunodiagnostic facilities of the Group, including the Chinese facilities.

Finally, a screening activity will be carried out to assess opportunities and ways to extend the platform and its procedure system also to the molecular manufacturing facilities and to the newly acquired Luminex Corporation.

Procedure System at Group and local level

The immunodiagnostics division of Diasorin formalized the principles to be applied -at Group level as part of the supply chain management - to the Group's Operating Procedure "*Supplier Management*" and to the Diasorin Group's Operating procedure "*Procurement Portal: Supplier Qualification*". Both procedures apply to all purchases of the Diasorin Group.

The Procedure provides the guidelines to follow at local level in the various stages of the supplier management process and defines a clear allocation of responsibilities between the Company and the relevant Group's Corporate Functions and Departments.

It should be noted that Luminex facilities are excluded from the application of the Procedures mentioned above as they are closely related to the use of BRAVO software for the operating process.

In 2022, the Corporate QA required Luminex QA-Supplier management Team to make a comparison between their procedural structure concerning QMS requirements for the selection, qualification and monitoring of suppliers, and the rules in force for the rest of the Diasorin Group whose QMS requirements are defined in the Group's operating procedure described above. The aim of the comparison was to improve and/or adjust Luminex's process to Diasorin's process. Despite Luminex is not using the BRAVO software as an operational management tool, the comparison helped understand the existing differences and align - as far as possible - the process to ensure compliance with the Quality System requirements.

Starting from the procedures currently in force at Luminex Companies, Diasorin is assessing the possibility of harmonizing and adjusting as much as possible the procedures of the Companies acquired in 2021 to the procedures of the DiaSorin Group's companies.

Below are the main requirements formalized within the Group Procedures mentioned above:

- use of a multifunctional approach to select suppliers and formalization of the criteria and methods adopted in this stage;
- classification of suppliers on the basis of the risk category associated with the quality of product and safety;
- preparation of a documentation mapping the technical requirements of products being purchased. Such documentation shall be included in the contractual documents, along with clauses which contractually bind suppliers to inform Diasorin of any change in the technical requirements of the product;
- management of supplier changes that have to be approved at local level and communicated to central Departments;
- implementation of activities to monitor suppliers at local level (e.g., acceptance tests, verification of the certifications attached to the products, audits of suppliers, etc.).

To promote higher harmonization with Group processes, each Diasorin manufacturing site was required to set up local procedures covering the management of suppliers and purchases of products and services, in order to ensure quality, safety and effectiveness of the finished product on the basis of the Group Procedures.

In 2020, specific procedures were introduced concerning the use of the BRAVO platform. These procedures were implemented and extended, in 2021, to all immunodiagnostic sites, in line with the platform implementation.

5.3 Results

In 2023, following the end of the COVID pandemic, the Diasorin Group resumed the activities to monitor its suppliers, mainly through on-site audits or, in exceptional cases, through remote audits.

2023 audit activities were conducted on the basis of a careful risk assessment, in line with 2022.

In 2023, audits conducted on suppliers increased compared to the previous year.

Specifically in 2023, 17 audits were conducted on critical suppliers for the Diasorin Group (10 in 2022), including 8 Corporate (6 in 2022) and 9 Local (4 in 2022). No significant non-compliance emerged from the audits, in line with 2021-2022 period.

In 2023, Luminex facilities conducted a total of 12 supplier audits (10 in 2022), classified as Local according to Diasorin procedures

Following the pandemic emergency that marked the 2020-2021 reporting period and, although to a lesser extent impacted also 2022, levels of variability remained high due to the irregular trend in inflation and the cost of raw material that impacted global supplies. This volatility had direct consequences on purchase costs as a result of economic fluctuations between periods of expansion and contraction in the 2020-2022 period and, to a lesser extent, in 2023. The Group is structured to cope with this instability, which is promptly managed in order to minimize its impact on the Group's manufacturing structure.

Furthermore, the Procurement Department endeavored to understand the extent of certain critical points in relation to the animal wellbeing along the value chain. The Management is assessing the best approach to be adopted in order to meet its stakeholders' expectations in a proper manner, since the Group uses serums of animal origin, albeit in low percentages and in full compliance with current regulations. In this regard, where possible, the Company is working to identify alternatives that are no longer animal-based.

6. Customer relations and customer satisfaction

6.1 Diasorin's commitment and reference principles

Group companies are committed to providing Customers with quality products and services, in addition to a reliable support aimed at creating a relation of mutual trust, collaboration and technical and scientific professional expertise, paying particular attention to the ongoing evolutions of healthcare.

The main objective of Diasorin is fully satisfying its customers, building a relation based on honesty, fairness, efficiency and professionalism in accordance with the obligations arising from supply contracts between both parties and operating in total compliance with the laws and rules contained in the Code of Ethics.

In order to fully manage all the aspects related to quality of products and services provided, Diasorin adopts a Quality Management System in compliance with ISO 9001:2015 standards "Quality Management Systems" and ISO 13485:2016 /A11:2021 "*Medical Devices - Quality Management Systems*" and with requirements of the QMS USA of 21CFR Part 820. The company also adopts a structured system to monitor customer satisfaction, as described below.

In its relations with customers the Group is committed to meeting its stakeholders' -current or potential customers, professionals, scientific community and, more generally, citizens- training and educational needs concerning scientific and medical issues; to this end, Diasorin promotes and supports activities in the field of Public Health.

6.2 Instruments adopted.

The quality control system adopted by the Group companies covers all operating and supporting processes: from design to manufacturing, launch on the market up to after-sales supervision of the products. Such quality control system is extended to all company functions involved in the different stages of product life, also after delivery of the product to the customer and when collecting customer feedback. In order to improve the process, monitoring the performance of products on the market and of services provided by Diasorin to its customers is extremely important for measuring and analyzing quality levels achieved.

Group's companies implemented dedicated methods to ensure that customers feedback reach the company and share them across the company; data are processed to verify that the product or the service provided is in line with customer expectations. On the basis of the information gathered and processed, continuous improvement activities are then planned and implemented.

The Group implemented a dedicated internal procedure in accordance with regulatory requirements and relevant amendments: “DiaSorin Group Customer Satisfaction Survey” that aims at defining the manners through which the Group can regularly monitor the Customer Experience. At least every two year a specific survey is implemented and coordinated by the “Quality, Marketing and Service Corporate” Department. This activity gradually consolidated over time and now is carried out on an annual basis through two survey waves (on a half-yearly basis), which involve different customer segments. The increase in the frequency of the survey enables the Group to promptly implement corrective actions if the survey gives evidence of any critical issues. As from 2022, Customer Satisfaction survey has been extended to all Luminex Companies.

The activity has been carried out and integrated over the years with the support of the Teleperformance company.

The project consists of two levels:

- **Relational**

  Extended telephone interviews, carried out on a half-yearly basis both to laboratory managers and to users operating with Diasorin instruments;

- **Transactional**

  E-mail surveys to users who interact directly with Diasorin staff after technical support; surveys are addressed to Customers after technical support, over the year.

Surveys concern the following:

- Analyzer;
- Assay Products;
- Order Entry (Supply Chain);
- Sales Representative;
- Field Engineer;
- Application Specialist;
- Technical Support;
- Benchmarks against competitors.

Survey results are tracked in real time on a specific web portal managed by the supplier and are differentiated by country: each Group company has access to data relating to its country. A detailed half-yearly report is submitted to the management to assess the results and trends and decide any corrective actions. The portal has been configured so that to generate immediate opening of hot case file in the event of a low score. The involved subsidiary is thus required to implement a “recovery plan” that will be disclosed on the Portal.

In light of the half-yearly findings, actions are implemented globally to increase and make interaction with customers more active through the direct involvement of Managers of the concerned area, in order to better intercept emerging needs also from a training point of view.

The Customer Satisfaction Survey has provided the basis for surveys on products, in compliance with the IVD-R Regulation. More details are provided in the above: " Quality of products and processes ".

In addition to this internal procedure, Diasorin Group’s companies - in agreement with the relevant Scientific Associations in the sector - actively participate in the organization of events on topics of current interest. These activities aim also at training laboratory staff from a scientific point of view, helping to enhancing skills and furthering the latest scientific information. Events involving leading healthcare professionals, including institutional members (such as the Higher Institute of Health in Italy) are proactively supported.

In 2023, Diasorin attended the main international events such as the Eruomedlab, the Clinical Virology Symphosium (CVS), the European Congress of Clinical Microbiology and Infectious Diseases (ECCMID), two conferences organized by the American Association for Clinical Chemistry (AACC) and dedicated to infectious disease and, more generally, biochemical laboratory, also through direct meetings with customers.

Italian initiatives included the events organized by Amcli, Sibioc, Sipmel, Siml, Elas and the Risk Management Forum in Arezzo.

In 2023, Diasorin implemented, at a global level, communication initiatives targeting urgent care laboratories through Clinical Specialist and Medical Liason Specialist, which help communication and exchange of information between laboratories and the clinical world.

6.3 Results

In 2023, the Customer Satisfaction's survey activity involved around 1,200 customers in 20 countries with reference to the Group Companies that had carried out the survey in the past. A further 1,200 customers have been added by the Luminex Company. The selection of Customers involved in the survey had the primary objective of identifying a homogeneous and representative number of Customers (approximately 30%) for each Country where the Group operates directly through its subsidiaries.

The use of the platform developed with Teleperformance highlighted a high degree of customer satisfaction for the services provided by Diasorin (excluding Luminex Companies). The overall satisfaction level increased to 8.89 out of 10, up from 8.8 in the previous year. Luminex Companies reported an overall customer satisfaction equal to 8.7, up from 8.5 in the previous year.

Diasorin's current operating and manufacturing activities require the Customer Satisfaction to be constantly monitored. For this reason, the Group aims at repeating this survey every year, assessing customer satisfaction through a regular and centralized process.

7. Research, innovation and technological excellence

7.1 Diasorin's commitments and reference principles

Innovation and technological excellence are key drivers in DiaSorin Group's strategy to implement its Mission and Ethical Vision. To this end, the Group is committed to implement a consistent staff policy focused on selecting talented and skilled professionals in the field of Research and Development that may contribute to developing new technologies, products and processes promoting, at the same time, training and sharing of know-how at both national and international level.

7.2 Instruments adopted

Thanks to the Group Innovation Process led by the "Innovation" Function, the company has implemented structured and quality strategies and plans.

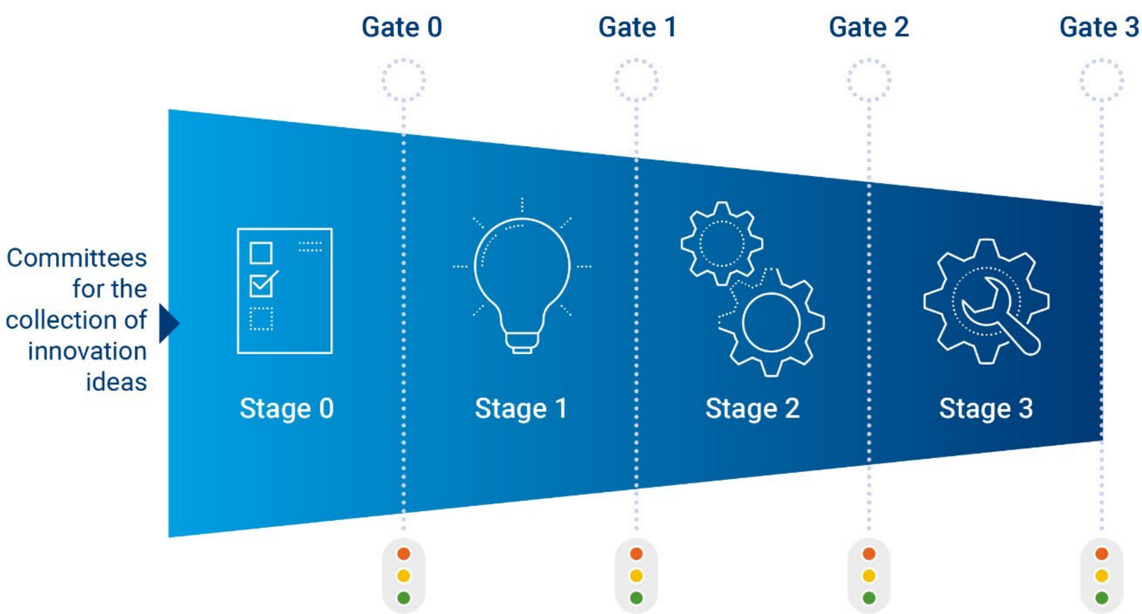
This process is shared by all the Group's businesses and companies and arises from the need to ensure a structured approach to the evaluation of new business opportunities concerning Immuno-diagnostic Kits, Molecular Diagnosis Kits or analysis platforms, allowing, therefore, the start of Product Development activities for the most promising projects, in terms of value and innovation.

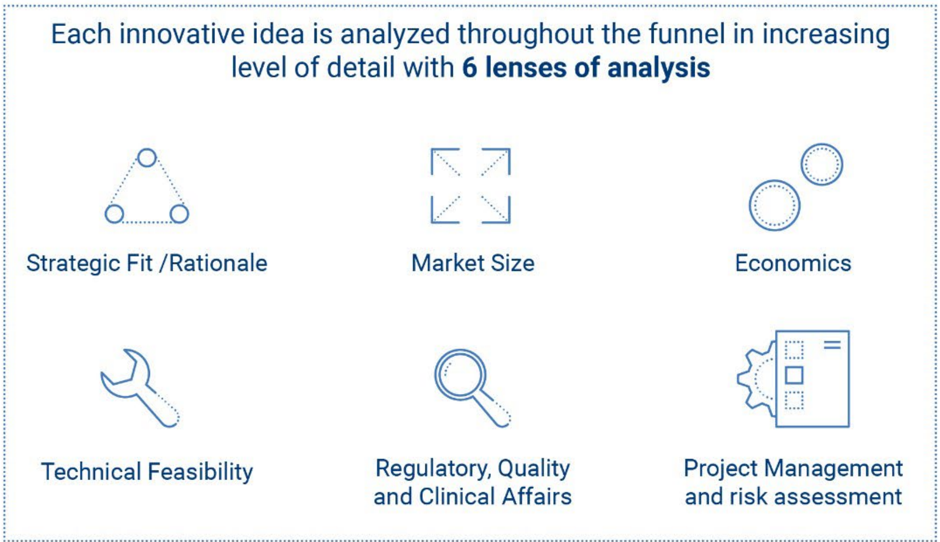
The corporate strategy provides the scope for the selection of innovative ideas that, through the Innovation Process, are gathered through either external sources, such as scientific community networks, Key Opinion Leaders and Accademia, or "internal" sources, directly by the Diasorin Group functions (Quality, R&D, Marketing, etc.).

Opportunities are evaluated through a "Stage and Gate" process, as shown below.

THREE LEVELS "STAGE & GATE" ARCHITECTURE

PM structure to coordinate activities throughout the funnel





In June 2021, the Company introduced Gate 0 that allows to:

a) preliminary verify that the proposed idea is consistent with the macro strategic indications;

(b) assign a priority level;

c) preliminary assess the target indication/utility;

d) provide a preliminary budget for the "proof of concept" and "wet chemistry" activities.

A Project Management structure within the Innovation Function and a governance dedicated to the process ensure that each idea is analyzed and assessed in each gate where the hypothesis or development proposal can advance to the next stage, rejected or put on hold for additional analyses.

In Gate 3 the project is included in the Group's PDMP (Product Development Master Plan). This document is monitored and regularly updated by the Corporate R&D Department, which provides information on the Group's active projects for each development phase (pre-feasibility, feasibility, validation, industrialization).

In order to ensure a structured assessment process, emerging innovative ideas are classified into 3 different categories that are valid for both kits and tools:

- **"Expand"** opportunities are ideas of new kits or tools for the market and through which Diasorin can **expand the IVD market** (in-vitro diagnostics);
- **"Advance"** opportunities are either ideas of kits or tools that are already on the market but not yet in the Group's portfolio or solutions that are already present in the Group's portfolio and can be integrated with new functions, adjusted to have better performances, or delivered through different technologies to **increase Diasorin's market shares**;
- **"Sustain"** opportunities are ideas **aimed at improving the efficiency of kits, current tools or industrialization process** in order to offer the market products with better margins for the company while maintaining the same quality features.

Under ordinary conditions, in addition to ensuring that only products of proven value are launched on the market this process makes Product Development more efficient and faster, since gaps are fixed starting from the innovation phase.
Work is divided by projects or processes, creating dedicated cross-functional teams (thus, removing the traditional functional structure) and identifying the actions to be carried out to ensure quality to the process. This is crucial to allow a rapid and effective adjustment to market needs.

The current process carried out at the newly acquired Luminex Corporation is in line with Diasorin Group's procedure; harmonization and integration of these processes are under way.

7.3 Results

In the second quarter of 2023, Diasorin received approval for the new MR-proADM™ immunodiagnostic assay in all countries accepting the CE Mark. The assay was developed in collaboration with BRAHMS for use on the LIAISON® XL platform and is intended for the detection of a biomarker in human serum/plasma for disease severity and prognosis in severe infections and sepsis.

In June 2023, Diasorin received approval for the new LIAISON® Legionella Urinary Antigen Immunodiagnostic kit in all countries accepting the CE Mark, for detection of specific antigens of *Legionella pneumophila* bacterium in urine. The assay is aimed at identifying all *L. pneumophila* species (SG01 and non-019-, as well as other pathogenic species such as *L. micdadei* and *L. longbeachae*).

In the 3rd quarter of 2023, Diasorin received approval from the US Food and Drug Administration (FDA) for the distribution of the LIAISON® QuantiFERON-TB Gold Plus test, developed with a specific reagent. This product reduces hands-on time for laboratory user and has fewer risks associated with handling of product components. The product allows an increasing use of the test for latent tuberculosis in the USA on human plasma samples. In the same period, the test was validated to be distributed in markets accepting the CE mark.

In the 4th quarter 2023, Diasorin submitted to the FDA the file related to the new LIAISON® LymeDetect that uses the QuantiFERON® technology with specific Borrelia peptides to determine cellular immunity, combined with detection of IgG and IgM antibodies The test is designed for early detection of borrelia infection (Lyme disease) and is developed in partnership with QIAGEN. The product, once approved by the US Food and Drug Administration, will strengthen Diasorin's offer of innovative products for the diagnosis of borreliosis, which is an increasingly growing market in the US.

In 2023, Diasorin received the CE and FDA approval for the distribution of *VZV IgG HT*, a new high throughput assay based on the LIAISON® XL, platform, for the detection of specific IgG antibodies to varicella-zoster virus (VZV), in human serum or plasma samples.

The following are the products under development in 2023

HCV HT: a new high throughput assay based on the LIAISON® XL platform for the detection of specific antibodies to Hepatitis C virus in human serum or plasma samples;

TrAb: a new assay on the LIAISON® XL platform for the detection of auto-antibodies against the TSH receptor in human serum or plasma and intended for the diagnosis of Graves' disease - an autoimmune disease affecting the thyroid.

Aldosterone (Anti-metatype antibody): a new assay based on the LIAISON® XL platform for the determination in human serum/plasma/urine of the Aldosterone hormone. The assay is designed for use of anti-metatype antibody capable of improving the diagnostic performance and alignment with mass spectrometry analysis;

Anti-HDV: as part of a development agreement with the U.S. *Gilead Science,* in 2023 the company studied the analytical and clinical performance of the assay based on LIAISON® XL platform for the determination of specific antibodies against Hepatitis Delta virus in in human serum and plasma samples. The results of the studies will be submitted to the FDA in the first quarter of 2024 to subsequently receive authorization for the distribution in the United States.

Streptococco pneumoniae urinary antigen: a new assay based on LIAISON® XL platform for detection of specific for the different strains of the Streptococcus pneumoniae bacterium in human urine samples.

CMV IgG plus: a new assay based on LIAISON® XL platform for the detection of specific antibodies against the CMV virus in human serum/plasma samples, standardized with the World Health Organization (WHO) reference material.

Along with the projects of product development described above, in 2023 experimental, research and proof of concept activities were carried out in 2023 the area of Chronic Inflammatory Bowel Diseases, Respiratory Infections and immune reconstitution in subjects undergoing allogeneic stem cell transplantation.

Along with the strategy to extend the offer of new diagnostic tests or improve products in order to deliver improved and appreciable performance, the company is developing new platform to enter new market segments. In particular, the LIAISON® XS platform, designed for small size laboratories, was launched in Europe in 2019. Its launch outside Europe (the United States and China) began in 2020 and continued in the following years. Pre-existing and new generation immunodiagnostic products are validated also for the LIAISON® XS platform. A further evolution concerning Diasorin's analyzers is the development of new instruments with the aim of strengthening the company presence in segments where the LIAISON® XL is already present.

With regard to Molecular Diagnostics:

In September 2022, the Simplexa COVID-19 assay on the LIAISON® MDX platform received FDA approval for its distribution. This assay allows detection and differentiation of SARS-CoV-2 from nasopharyngeal swabs, and has had a major role in addressing the global pandemic.

In November 2022, in response to the health emergency, an Analyte Specific Reagent (ASR) was included in the catalogue for the detection of Monkeypox, highlighting the company's flexibility in addressing emerging needs.

Again in November 2022, the Simplexa cCMV assay on the LIAISON® MDX platform received FDA approval. This molecular diagnostic test enables direct detection of cytomegalovirus (CMV) DNA in both saliva swab and urine specimens from babies 21 days old or younger.

In March 2023, the Simplexa COVID-19 & FLU A/B assay on the LIAISON® MDX platform received FDA approval. This assay, which was CE marked in September, can detect and differentiate influenza A, influenza B, and SARS-CoV-2 viruses in human matrix from nasopharyngeal swabs.

In December 2023, the ASR for *GAPDH* (glyceraldehyde-3-phosphate dehydrogenase), a pair of oligonucleotides designed as an internal control, was successfully launched on the American market. This ASR is used in association with others for the determination of specific targets, contributing to the accuracy and reliability of molecular diagnostics.

In the same month, the development of the *Simplexa Candida auris* assay on the LIAISON® MDX was successfully completed. The molecular diagnosis of *Candida auris* has a key role in treating fungal infections, providing timely and specific solutions to address the growing concern related to this emerging pathogen.

These developments reflect the ongoing commitment in research, innovation and expansion of molecular diagnostics solutions, addressing the dynamic needs of the healthcare sector and contributing to the fight against infectious diseases.

The following provides the number of PDMP projects on product development at December 31 for each reporting year:

Reagents for Immunoassay	2021	2022	2023
Pre-feasibility	2	3	5
Feasibility	10	0	4
Validation	7	7	5
Industrialization	0	3	4
TOTAL	**13**	**13**	**18**

Reagents for Molecular *	2021	2022	2023
Pre-feasibility	1	5	9
Feasibility	6	5	5
Validation	6	5	8
Industrialization	18	16	15
TOTAL	**31**	**31**	**37**

Including: Assays, ASRs ("Analyte Specific Reagents"), Aries, Verigene and Non-Automated

Instrument projects (Immuno + Molecular + Licensed Technologies)	2021	2022	2023
Pre-feasibility	2	5	10
Feasibility	19	13	14
Validation	24	24	18
Industrialization	-	-	6
TOTAL	**45**	**42**	**48**

8. Employee management

8.1 Diasorin's commitment and reference principles

The DiaSorin Group's value increased proportionally to the value of people who worked and still work at Diasorin. Following the acquisition of Luminex, Diasorin has become even more international, strengthening its presence both in the U.S. and in Europe. Against this new backdrop, the challenge of the Human Resources is to drive and support the company culture evolution through the development of a People Strategy that takes into account diversity and is able to handle such diversity in an inclusive manner, by finding global and local solutions to maximize the "Culture of Merit".

People growth is part of DiaSorin's history and is driven by three main guiding principles that apply to the whole Group:

LEADERSHIP - Management competence, that is a mix of expertise and sensitivity, business acumen, skills and experience, which makes it possible to recognize and assess the contribution of each single individual in relation to a collective result;

ENGAGEMENT - sense of belonging with a strong identification with "the Diagnostic Specialist" mission, as well as the ability to outline a clear long-term Vision with agility and flexibility to achieve common and shared objectives;

TALENT - ability to turn the strategy vision into concrete action, thanks to the distinctive skills of People who work with passion and energy, without making any compromises between speed and quality of execution. The work of each employee is crucial to achieve the end result. Each Employee's job is essential to reach the end result.

This commitment, which is formalized in the *"Human Resources Strategy*" has a Culture of Merit as key element and aims at nurturing and developing a culture of excellence within the Group. With specific reference to cultural integration activities, the HR team and Management have continued the path of cultural integration with passion, steadfastness and determination, including through the reinterpretation of the Company's values. This path confirmed Diasorin's DNA and led to the definition of "*Diasorin Leading Values"*, basis of business values along with the Code of Ethics of the Company.

Diasorin Leading Values are:

RESULTS DRIVEN: Demonstrate an unwavering commitment to achieve results;

ACCOUNTABILITY: Take responsibility, act with integrity;

INNOVATION (CRITICAL THINKING): transform new ideas into services and solutions that bring value for patients and customers.

OPERATIONAL EXCELLENCE: Strive for excellence and long-term success;

CUSTOMER FOCUS: Our customers are our top priority;

CULTIVATING A POSITIVE CULTURE (CARE): Build a *"We-Company"* through positive, inclusive, uplifting workplace.

The adoption of a Model shared among Group's employees makes it possible the real dissemination and sharing of corporate culture and common value.

The Human Resources management refers to the Group's Code of Ethics which sets out a set of rules and standards of conduct to which the Group is required to abide by, concerning:

- Employee management policies: *"Any form of discrimination against employees or staff members is prohibited. All decisions regarding personnel management and development are based on considerations of merit and/or correspondence between expected profiles and those of staff members. The same consideration applies to the decision to assign employees to different roles or positions".*
- Employee empowerment and management: *"In managing hierarchical relations, company stakeholders undertake to guarantee that authority is exercised fairly and correctly, avoiding any type of abuse. Requesting, as something due to a superior, services, personal favors or any other form of conduct that infringes this Code of Ethics constitutes an abuse of position of authority. Each manager is required to use and fully exploit all the professional competencies of the structure, activating available levers to promote development and professional growth of personnel".*
- Equal Opportunities: "Diasorin is committed to providing equal opportunities to all its employees, both at the workplace and as regards career advancement. *The supervisor shall ensure that, with regard to all aspects of employment such as recruitment, training, remuneration, promotion, transfer and termination, employees are treated according to their ability to meet job requirements, avoiding any form of discrimination, in particular discrimination based on race, sex, age, nationality, religion and personal beliefs".*

In 2023, the Diasorin Group was engaged in the implementation of a ESG 2023-2025 plan, approved by the Board of Directors of the Company on December 1, 2022.

The Plan provides for specific areas of intervention in social field, in particular the definition and implementation of "*Principle of Merit"* in line with the new configuration of the Group following the acquisition of Luminex and based on Diasorin's culture and values. The main objective of these principles is to promote talent within the

Group, while ensuring equal opportunities regardless of gender, status, race, religion or any other form of discrimination.

In 2023, all the *Environmental (E)*, *Social (S)*, and *Governance (G)* objectives in the Plan set for the year were achieved and, in the area of Human Resources the company defined the Principles of Merit which describe the people management and development strategy inspired by Diasorin's DNA.

Merit is based on three basic principles:

- Attracting, engaging and retaining key strategic resources as well as aligning the actions of management and all employees with the goal of creating value for our stakeholders;
- Rewarding employee performance and commitment based on individual contribution to achieving company results by promoting the creation of successful teams;
- Ensuring that each employee has equal opportunities to improve their skills and grow, by fostering diversity and inclusion.

Principles were defined for the purpose of supporting:

- Culture: including the measurement of performance and behaviors as well as the individual contribution of employees and the human relations, which are all essential elements of our culture.
- Diversity and inclusion: valuing and promoting the unique talents of all current and future employees, without discrimination.

The Principles of Merit will be implemented in 2024 and 2025 by empowering the management and implementing projects driven by the Human Resources Team.

8.2 Instruments adopted

The following provides the Diasorin Group's main instruments to manage and reduce risks (or where applicable, to address opportunities) as detailed in paragraph "Identification of risks and opportunity" in relation to employee-related topics.

"Diasorin Leading Values" and *Performance Management*

The values adopted by the Diasorin Group combine and balance the characteristics of the Company's DNA, on which nurturing and developing Talents.

The main objectives of Diasorin Leading Values are:

- creating a common language for all the Group's employees;
- clarifying expectations on objectives and results;
- making the recruitment procedures easier, by sharing the values and characteristics required to candidates;
- structuring the assessment of behaviors;
- promoting the culture of Merit.

With regard the assessment of Performance and Behaviors it should be noted that Diasorin carries out an annual process of performance management based on the Culture of Merit which applies globally to all

Company's employees. The Performance Process fosters a continuous dialogue between managers and employees on their contribution to the company's growth and the behavior required to achieve the objectives set. This approach makes it possible to fairly promote the growth of employees and define individual development plans characterized by qualified and inclusive training that may represent an opportunity to enhance talent of each employee.

In this regard, in 2023 to strengthen the approach above the Human Resources team worked to make some improvements to the Performance process, which will be implemented from 2024. It should be noted that all employees at the Group level will be evaluated through the same matrix, which takes into account goals and conduct in line with the Diasorin Leading Values, and through the same process in a single information platform. This aims to carry out fair and consistent evaluations. As a result of the integration with Luminex and with the purpose of enhancing mutual dialogue and sense of responsibility within the organization, the Performance process was enriched with a formal time for employee self-assessment.

The evaluations resulting from the 2024 Performance Process will be the basis for Merit processes relating to the following financial year.

Training activities

Diasorin is committed to ensuring quality, fair and inclusive training that may be considered as a learning, personal and professional opportunity to all employees. Skills development is one of the key pillars to accomplish the company mission.

To this end, training needs of each employee are analyzed and identified thoroughly on the basis of business priorities, inputs from Heads of Department and taking into account objectives deriving from the regular assessment process.

Every year the Company identifies macro-themes/focuses in order to plan and develop activities aimed at adjusting the technical and cross-functional skills required to support the business.

Training programs are held by either internal or external qualified staff, through mixed learning modes, either remotely or in person, giving priority to in-house training paths in order to enhance employees' knowledge and skills.

An example of in-house training is training addressed to technical staff in charge, in each region, of equipment installation and maintenance at the customers' premises. The employees in the Service area, in fact, undergo training that is entirely managed and monitored by colleagues who work in the same area at Corporate level.

Conversely, external training covers various areas. In 2023, courses concerned performance management, courses aimed at improving Management leadership skills, handling relationship and promoting dialogue among colleagues, by increasing the employees' sense of belonging, as well as health and safety courses.

As regards the tools used to ensure employees' access to in-person and remote training, each site continued to use multimedia platforms considered to be most effective on the basis of the Group guidelines on training activities.

In 2023, the following are examples of training courses aimed not only at improving technical skills, but also at reinforcing the employees' soft skills:

<u>Training for technical skills</u>

- Lean Manufacturing
- Project Management

- Industrial Engineering
- Compliance

Training for soft skills

- People Empowerment
- Hiring excellence
- 360 Leadership Training
- Problem Solving & Decision Making

The Company carried out a training program called *Diasorin Academy* which involves employees in courses coordinated by the HR function and delivered by external teachers. Training programs cover different areas (technical, cross-functional, soft skills and people management) and continued in 2023 with both remotely and in-person learning modes.

A further training area to which Diasorin attaches great importance is the so-called "Induction" process by which new Group's employees have an introduction to the company during their first working days. In this regard, both individual Induction programs for Executives and Managers, and specific courses for new hires are provided locally every year.

The Induction program is structured to provide all the tools necessary to new hires to better understand their role and the Corporate Culture. Diasorin firmly believes that an effective Induction plan is an essential tool for enhancing and retaining its talents.

The Group's training activities linked to HR processes and related information systems continued throughout 2023.

Training carried out on the system did not focus exclusively on technical issues related to its functioning, but it was also an opportunity to share the corporate culture underpinning the HR processes managed by the system.

Examples are the numerous Performance training activities delivered to the Group's Managers who are responsible for properly assessing the performance of their teams, through a constant dialogue with their employees and feedback sharing. In addition to the necessary technical and procedural instructions, training covered soft skills-related aspects that can ensure a perfect motivational alignment between corporate strategy and the activities of employees, teams and Functions by promoting constant and transparent dialogue.

The integration between HR information systems of Luminex and DiaSorin continued throughout 2023. The integration ensures that all processes are homogeneous not only in compliance with the guidelines and the deadlines provided, but also through the use of the same system across the Group.

In particular, starting from 2023 all Diasorin Group's employees use a single platform -*HRMS*, *SuccessFactors*.

Starting from this platform, in 2023 certain modules of the system were analyzed, specifically the Employee central and Performance modules and significant improvements were applied to the processes as a result of the analyses carried out. Activities will continue over the years and will involve several colleagues from the HR Function all over the world, in order to gather feedback and points of view reflecting global needs.

Organizational evolution and change management

The Company business sector is constantly evolving and requires innovative solutions to be implemented quickly, focusing on quality of execution and adopting increasingly advanced organizational schemes.

To this end, the Group has evolved with an international vision and today operates into all the continents, with a direct presence in Europe, the United States, Canada, Mexico, Brazil, China, India, Australia and Israel. The rest of the world is served by over 200 independent distributors with whom Diasorin has established a long-term dialogue for the benefit of end users.

Over the past three years, Diasorin has worked with determination and passion to integrate Luminex into the Group and create a single company, investing in consolidating Luminex's leadership and renewing production facilities.

With regard to the acquisition of Luminex, the company continues its efforts aimed at fully implementing business, organizational and cultural projects.

Welfare and benefit initiatives

Diasorin provides different types of pension plans and defined-benefit plans, in accordance with the local conditions and practices in the countries in which it operates.

Supplementary pension plans are based on the length of the working lives of employees and the wages earned by employees over a predetermined period of service. These contributions are added to institutions envisaged by law, such as the provisions for employee severance indemnities in Italy, the" Employment Rights Acts 1996", the "Employment Relations Act 1999" and the "Children and Families Act 1999" in the U.K., the "Alecta" system in Sweden, the "U-Kasse" pension plan and the "Direct Covenant" system in Germany, medical plans and insurance, life insurance and pension plans in the U.S. according to the" Affordable Care Act" and the "401kPlan".

As for defined-contribution plans the Company pays contributions to public or private insurance institutions pursuant to a statutory or contractual obligation or on a voluntary basis.

In order to strengthen employees' engagement and well-being, several Group companies implemented initiatives to integrate the healthcare programs provided by local legislation, such as preventive healthcare programs and family support.

With reference to the initiatives launched in each country, the following should be mentioned:

- in the United States, the integration of benefit programs between Diasorin and Luminex was carried out successfully. The Company provides the employees who participate in the program with an extensive panel of services for the physical, mental, emotional and economic wellbeing. Programs include for example: "*Employee Assistance Program (EAP)*", "*Family Adoption Support*" e "*Wellness program"*, designed to support employees in healthy lifestyle choices.
- In England, employees are provided with supplemental medical and dental insurance and vouchers aimed at supporting employees' children, as part of the Benefits plan, and access to purchase portals at reduced prices. Furthermore, Diasorin grants UK employee a higher number of days of annual leave than those provided for in the law.
- in China, the Company confirmed the existing set of services provided for medical insurance cover and for employees on business trip. Employees can undergo annual medical checkups and have benefits for sporting activities, free of charge. Again in 2023, recognition programs were promoted.
- In Italy, several initiatives were implemented, among which noteworthy is the active and constructive dialogue with the social partners. Diasorin defined the provision of a €200 fuel voucher for some categories of lower-income employee and made the canteen completely free for all employees. The 2023-2025 Corporate Welfare Plan is still valid. The amount disbursed by the company ("flexible benefit") to each employee, will progressively increase on an annual basis, reaching 650 euros per year in 2025. Furthermore, the Company further expanded the services provided in the field of health, training, culture and leisure, with the provision of fuel and supermarket vouchers. The Company is committed to constantly

updating its Corporate Welfare Plan to promote its employees' wellbeing. Lastly, starting from 2023 employees can convert the full amount of the Participation Award into welfare.

Dialogue with the social partners and focus on employees' needs

In a context where the labor market is increasingly uncertain and the Company is required to employ increasingly specialized skills, again in 2023, several activities aimed at retaining and attracting talents have been completed, fostering dialogue with employees.

For this reason, dialogue with social partners is a crucial tool. To this end, personnel in charge of managing relationship with Trade Associations, where existing on the basis of local regulations, maintains an ongoing dialogue with Trade Associations, both in standard and in any extraordinary situations, according to a constructive and collaborative approach.

In this respect, the Group policy, which introduced and formalized a hybrid work model as an integral part of the Employee Value Proposition, continued also in 2023. This has allowed the Company to ensure productivity, flexibility and work-life balance as well as attention to the environment and Sustainability.

In addition to the dialogue with social partners, DiaSorin makes use of direct communication channels to listen to its employee. These channels are structured depending on the country where the Group operates.

For example, certain local initiatives continued, such as the initiative called "Magic Box", which provides the employees of the Chinese branch with the opportunity to contribute to the achievement of the expected excellence results through proposals aimed at improving both company processes and programs.

The English branch has implemented a forum dedicated to employees and a feedback system. Quarterly meetings involving employees and their branch Manager were set up to foster dialogue and feedback sharing.

With this in mind, in 2024 Diasorin will launch an *Engagement Survey* at Group level, as integral part of the ESG plan in relation to the S- Social issue.

In 2023, the Company continued the actions aimed at further developing the Diasorin brand externally, such as the update of the website www.diasorin.com and the use of professional social networks such as LinkedIn.

Diversity and inclusion

Diasorin recognizes the individual value that each employee brings to the Company and encourages initiatives and behaviors capable of creating an environment where everyone is actively included, in order to develop small ideas and achieve great results in terms of innovation. The Company firmly believes that the best solutions come from different perspectives, without fear of asking and answering tough questions and jeopardizing the status quo. Understanding and fostering Diversity and inclusion within the Group is a key element for the cultural integration between DiaSorin and Luminex.

In fact, Diasorin builds its sustainable success on the Culture of Merit, and on values such as excellence, innovation and diversity, as a driving force for growth and as a key element to confirm, always with new goals, its positioning as a top Diagnostic Specialist.

For effectively managing diversity and inclusion, Diasorin implemented anti-harassment/bullying policies regulating the behaviors that employees must adopt to promote a positive workplace. Diasorin is also committed to implement specific policies to meet the different needs of the countries where the Group operates.

Some Group companies implemented training courses on this topic. In North America, Diasorin completes the Affirmative Action Plan on an annual basis in order to analyze the internal diversity of its workforce and identify strengths and the areas where there is room for improvement. In addition, in 2023, the company held specific courses on "Preventing Discrimination and Harassment" dedicated to all Group's employees in North America. In addition, the company works closely with recruitment agencies dedicated to promote and enhance Diversity and facilitate access to the labor market for people with disabilities and former military fighters.

In the UK, the company launched several initiatives to promote Diversity, in addition to specific courses on this topic.

In Italy, as part of the development of the ESG, the Company implemented a further concrete action; with the aim of fostering family-work balance for parents, Diasorin signed an agreement that extends the duration of mandatory paternity leave paid at 100% from 10 to 20 days (10 additional days of leave to be added to what is already provided by law, which is usable up to 5 months after birth and may be even split over the period).

8.3 Results

The tables that follow show the main data on employee management in 2023 and in the periods provided for comparison.

Information on Group's employees

Number of employees by gender								
2021			**2022**			**2023**		
Men	Women	**Total**	Men	Women	**Total**	Men	Women	**Total**
1,920	1,438	**3,358**	1,930	1,456	**3,386**	1,828	1,405	**3,233**

Disclosure 2-7 Employees

Employees by category	**2021**			**2022**			**2023**		
	Men	Women	**Total**	Men	Women	**Total**	Men	Women	**Total**
Executives	159	66	**225**	160	59	**219**	161	60	**221**
White collars	1,324	1,183	**2,507**	1,347	1,203	**2,550**	1,290	1,170	**2,460**
Blue collars	437	189	**626**	423	194	**617**	377	175	**552**

Employees by age	**2021**			**2022**			**2023**		
	Executives	White Collars	Blue collars	Executives	White Collars	Blue collars	Executives	White Collars	Blue collars
<= 29 years old	0	266	154	0	257	157	0	236	125
30 - 50 years old	117	1,587	313	99	1,607	296	99	1,559	256
>= 50 years old	108	108	159	120	686	164	122	665	171

Disclosure 405-1 Diversity of governance bodies and employees of the GRI Standard 405: Diversity and Equal Opportunities 2016

Employees by type of contract	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of employees with permanent contract	1,864	1375	**3,239**	1,900	1,422	**3,322**	1,819	1,395	**3,214**
Number of employees with a temporary contract	56	63	**119**	30	34	**64**	9	10	**19**

Employees by type of employment	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of full-time employees	1,914	1,399	**3,313**	1,920	1,424	**3,344**	1,819	1,365	**3,184**
Number of part-time employees	6	39	**45**	10	32	**42**	9	40	**49**

Disclosure 2-7 Employees

Employees by education	2021			2022			2023		
	Men	Women	**Total**	Men	Women	**Total**	Men	Women	**Total**
University graduates	836	698	**1,534**	1,293	1,056	**2,349**	1,496	1,199	**2,695**
Biology	*186*	*252*	**438**	*294*	*360*	**654**	*287*	*359*	**646**
Chemistry	*59*	*47*	**106**	*96*	*79*	**175**	*102*	*78*	**180**
Biochemistry	*59*	*63*	**122**	*87*	*87*	**174**	*66*	*75*	**141**
Economics	*56*	*41*	**97**	*58*	*42*	**100**	*62*	*45*	**107**
Engineering	*203*	*68*	**271**	*331*	*99*	**430**	*364*	*100*	**464**
Other degrees	*273*	*227*	**500**	*427*	*389*	**816**	*615*	*542*	**1,157**
Technical graduates	132	85	**217**	239	136	**375**	229	119	**348**
General graduates	144	126	**270**	156	112	**268**	55	69	**124**
No degree	51	29	**80**	78	38	**116**	48	18	**66**

It should be noted that, starting from 2023, data on education of employees is tracked within the information systems and collected for the Group's Legal Entities, including Luminex.

Dialogue with employees and social partners

34% of the Group's employees are covered by collective bargaining agreements and represent about a third of the Group's companies.

	2021	2022	2023
Employees covered by collective bargaining agreements or similar agreements (%)	33%	33%	34%

Disclosure 2-30 Collective bargaining agreements of the GRI 2: General Disclosures 2021

New hires, terminations and turnover

New hires rate for 2023 is 15% (25% in 2022 and 15% in 2021).

The following provides new employee hires by gender and age:

Number of employees hired in the year	**2021**			**2022**			**2023**		
	Men	Women	**Total**	Men	Women	**Total**	Men	Women	**Total**
Total	295	208	**503**	515	342	**857**	270	200	**470**
By age:									
<= 29 years old	101	80	**181**	126	100	**226**	78	71	**149**
30 - 50 years old	141	109	**250**	288	192	**480**	149	100	**249**
>= 50 years old	53	19	**72**	101	50	**151**	43	29	**72**

Disclosure 401-1 New employee hires and employee turnover of the GRI Standard 401: Employment 2016

In 2023, the average turnover rate was equal to 19% (24% in 2022 and 16% in 2021).

The following table provides the turnover rate by gender and age:

Turnover rate	By age			By gender		
	<= 29 years old	30-50 years old	>= 50 years old	Men	Women	**Total**
	31%	18%	17%	20%	18%	**19%**

The following provides the number of ceased employees by gender and age:

Number of employees ceased in the year	**2021**			**2022**			**2023**		
	Men	Women	**Total**	Men	Women	**Total**	Men	Women	**Total**
Total	315	236	**551**	504	325	**829**	372	251	**623**
By age:									
<= 29 years old	71	51	122	79	62	141	59	52	111
30 - 50 years old	158	130	288	291	189	480	211	134	345
>= 50 years old	86	55	141	134	74	208	102	65	167

Disclosure 401-1 New employee hires and employee turnover of the GRI Standard 401: Employment 2016

Training activities

Number of training hours by category	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	3,391	2,669	**6,060**	4,054	2,325	**6,379**	4,694	3,636	**8,330**
White collars	68,166	69,825	**137,991**	88,935	62,770	**151,705**	92,881	76,866	**169,747**
Blue collars	27,622	20,175	**47,797**	29,351	18,544	**47,895**	32,851	17,013	**49,864**

Number of training hours by type	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Induction programs	2,873	2,884	**5,757**	3,565	3,156	**6,721**	4,473	2,593	**7,066**
Training on environment, health and safety	19,588	16,570	**36,158**	3,862	3,044	**6,906**	7,839	4,930	**12,769**
Technical-professional training	18,446	15,134	**33,580**	51,641	19,903	**71,544**	42,158	19,097	**61,255**
Foreign language courses	220	181	**400**	215	276	**491**	245	176	**420**
Managerial training	7,658	8,056	**15,714**	1,569	2,570	**4,138**	1,814	1,382	**3,196**
Other	50,394	49,845	**100,239**	61,489	54,692	**116,180**	73,896	69,337	**143,233**

Average training hours	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	21	40	**27**	25	39	**29**	29	61	**38**
White collars	51	59	**55**	66	52	**59**	72	66	**69**
Blue collars	63	107	**76**	69	96	**78**	87	97	**90**

Disclosure 404-1 Average hours of training per year per employee of the GRI Standard 404: Training and Education

It should be noted that in 2023, the company implemented a governance process for collection of training data worldwide, with the introduction of a methodology common to all countries and a dedicated team involved in training activities.

Further details on reporting of 2023 training hours are provided in the *Content Index.*

The Performance Management System

Employees receiving regular performance and career development reviews (%)	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	101%	102%	**101%**	101%	107%	**103%**	99%	105%	**100%**
White collars	98%	95%	**97%**	105%	94%	**100%**	98%	100%	**99%**
Blue collars	94%	92%	**93%**	92%	83%	**89%**	103%	103%	**103%**

Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews of the GRI Standard 404: Training and Education

The indicator includes employees with a portion of variable remuneration (i.e., MBO, Incentives) and, where applicable, employees who, also on the basis of the agreements with social partners, were subject to a formal assessment of their performance during the reporting period, regardless of the presence in the Company at December 31, 2023. Company employees with a length of service of less than 3 months do not receive a performance assessment in the current year.

Diversity and Equal Opportunities

Ratio salary man/woman	2021	2022	2023
Executives			93%
White collars	88%	89%	88%
Blue collars	89%	91%	88%

Disclosure 405-2 Ratio of basic salary and remuneration of women to men of the GRI Standard 405: Diversity and Equal Opportunities 2016

For the first time in 2023 data include also the "Executive" category. In order to improve the comparability of the data, Executives with strategic responsibilities were removed from this professional category. Their remuneration is disclosed in the " Report on the Remuneration and fees paid" available on Group's website.

9. Environment, Health and Safety

9.1 Handling the COVID-19 pandemic

Handling the pandemic has gone through peak phases in recent years and, in 2023, social impact was much lower. Also in relation to travels and trips, 2023 saw a progressive reduction in restrictions and mitigation actions.

Diasorin continued to keep the focus on this topic, so it kept some of the measures in place: recommendations on hand hygiene and disinfection, sanitation of premises, specific procedures to approve travels and recommendations on the use of face masks for positive employees.

The basic principle of prevention adopted by the Group during the pandemic was based on **prevention, monitoring, information and training** strategies. The Group, working closely with workers' organizations, implemented these levers with firmness, determination, discipline and transparency, asking for all employees' collaboration in adopting safe behaviors both inside and outside the workplace.

These strategies involved workers' representatives, in particular in the Italian offices of Saluggia, Bresso and Gerenzano through regular meetings with Workers' Safety Representatives. Participation and involvement of workers on health and safety issues takes place in compliance with national regulations, also in the other Country where the Group is present.

Initiatives to promote influenza vaccination for all employees were promoted in the various premises of the Group

9.2 Diasorin's commitments and reference principles

Since 2015, the Diasorin Group's has developed its **Environmental, Health & Safety Management System** in line with ISO 14001 and ISO 45001 standards in order to effectively manage Group employees' health and safety matters and environment-related issues. In 2023, the premises of Saluggia obtained certification ISO 14001 and ISO 45001.

Under the EHS Management System, the Diasorin Group has defined its environmental, health and safety Policy drafting the document "***Environmental, Health & Safety Policy Statement***" (hereinafter the "***EHS Policy***"), approved by the Group's Chief Executive Officer and which applies to all the Group facilities. The Policy has been updated in 2022.

The EHS Policy sets forth Diasorin's commitment towards health and safety of its employees, customers and stakeholders in general and mitigation of its environmental impacts. In addition, during 2023, in the field of Health and Safety, Diasorin further aligned its management systems with the Goals of the UN 2030 Agenda for Sustainable Development.

The following provides the manner in which the Diasorin Group's carries out its commitments:

- focus on EHS-related topics in business planning and decision-making processes;
- compliance with all applicable laws on the matter;
- information and awareness of all employees regarding the best practices to be implemented and the Diasorin's commitment to implement its own Policy;
- regular employee training on applicable law requirements and on the Group's EHS guidelines and on the application of the best available technologies (BAT);
- focus on ensuring healthy and safe workplaces for employees, visitors, suppliers/contractors;
- management of all aspects of its business for an effective and efficient use of natural resources;
- development and implementation of the "Group EHS Minimum Requirements" (for further details see paragraph below) and measuring relevant performance;
- ongoing improvement of the purchasing policy to support suppliers and contractors to achieve the Company EHS Policy objectives;
- promotion and commitment to waste reduction and recycling.

9.3 Instruments adopted

The following provides the Group's main instruments for risk management (or where applicable, to address opportunities) as detailed in paragraph "Identification of risks and opportunity" in relation to EHS issues or, where applicable, to address opportunities.

As the Group has always attached great importance to the EHS issues, in the 2012-2017 period Diasorin joined the Investor Carbon Disclosure Project (CDP), on a voluntary basis, disclosing company information through CDP questionnaire. In the 2017 financial statements, the same information is disclosed through the Non-Financial Statement.

Definition and implementation of the "Group Environment Health & Safety (EHS) Minimum Requirements

To ensure a constant level of attention and a proper management of the EHS-related risks, DiaSorin implemented the Group Procedure *"**Group Environment Health & Safety (EHS) Minimum Requirements**"* described in the EHS Policy as a tool to implement the DiaSorin Group commitment towards EHS topics.

The Procedure has been prepared taking into account the EHS regulatory requirements and the industry best practices implemented within the DiaSorin Group. The document sets forth the minimum requirements each

Group company has to comply with in relation to environment, health and safety (referred to as "**EHS Minimum Requirements**") to minimize negative impacts on health and safety of employees, visitors, suppliers or contractors as well as on business activities. The Procedure specifies that where regulatory requirements are more stringent than those of the EHS Minimum Requirements, the Company shall apply regulatory requirements currently in force; conversely EHS Minimum requirements shall prevail.

The Procedure applies to all Diasorin commercial and manufacturing facilities. Each company of the Diasorin Group assesses EHS Minimum Requirements to apply to its own facility: the applicability analysis is revised on a regular basis to determine if requirements deemed not to be applicable may now be relevant for the Company (due to organizational and process changes etc.). EHS staff of each Company, on the basis of the applicability analysis, has the task to provide adequate documents (i.e., guidelines, policies, procedures, etc.) on the basis of the applicability analysis, with the aim of implementing the regulation of applicable EHS Minimum Requirements.

Contents of the Procedure define the objectives to achieve and the guidelines to implement in relation to the following aspects:

- *General aspects concerning the EHS Management System* (commitment to implementing the System and Minimum Requirements, definition of the EHS structure and responsibilities, compliance with local regulations, measurement and monitoring of the *Key Performance Indicators*, training and awareness, internal communication);
- *specific aspects applicable to Health, Safety and the Environment* (e.g., operational controls, preventive maintenance, emergency management, accident analysis and management, management of suppliers and contractors, audit activities, management of chemical or hazardous substances);
- *specific aspects concerning Health and Safety-related risks (*e.g., confined areas, electrical risk, noise, fire, etc.*);*
- *Environment-related matters* (e.g., emissions, water withdrawal and discharge, waste disposal).

Audit activities

The Corporate EHS Function carries out audits on a regular basis to ensure that the EHS Minimum Requirements are properly assessed and, where appropriate, implemented in all Diasorin Group's companies.

The objective of audits is verifying that all Group Companies comply with applicable regulations and the EHS Minimum Requirements and identifying areas where an improvement is achievable, through the analysis of documents drafted locally and spot checks on facilities being audited.

Audit findings are reported through relevant Audit Reports. The local EHS staff is in charge of developing specific plans and identifying corrective actions to fill any gap that will be subsequently monitored by the Corporate EHS Function during its following audits.

In 2023, regional EHS Functions resumed their audit activities, in addition to the self-audits carried out independently by each site.

Training activities

Local EHS staff is responsible for employee training on EHS-related topics and has the task to ensure compliance with local applicable regulations (e.g., mandatory training concerning health and safety at the workplace).

According to EHS Minimum Requirements, at least the following applies:

- training upon hiring;

- specific training on job-related responsibilities and dangers (e.g., use of chemicals, confined areas, etc.);
- regular training updates;
- training whenever changes occur in the process or machinery or equipment used by employees;
- training whenever changes occur in duties or role.

It should be noted that, for each course provided, learning tests are carried out to assess knowledge and skills at the end of the course.

The training activities described above must be adequately tracked. The management procedures and relevant documents are subject to spot checks during the audit activity described above.

In 2023, training activities in all the Group companies was a mix of online learning/training and self-learning.

Involvement of the EHS Function in the development/update of processes

According to the EHS Minimum Requirements, the local EHS Function supervises the manufacturing facilities over the introduction of new processes or changes in the existing ones (e.g., introduction of new instruments/machineries, use of new chemicals).

The EHS local staff is in charge of carrying out an analysis of the EHS-related risks associated with processes that are being defined and updated and establishing the measures required for the management of identified risks (e.g., replacement of hazardous substances).

In assessing and mapping the risks the EHS Function works with the occupational doctor and other specific healthcare professionals, as required by each country, and other specific Functions to provide an in-depth understanding of all the implications of the processes analyzed. Among these functions there is the Production Function. This process is valid for the whole Diasorin Group.

The involvement of the EHS Function in the development and updating process is subject to audit as described above.

In order to continuously update and develop the processes, the employees are asked to report any dangerous situations they become aware of during their work. In addition to monitoring the hazardous occurrences reported by employees and the relevant functions, the DiaSorin Group conducts specific investigations in the event of accidents or 'near miss' episodes, in order to understand the causes behind such episodes and implement the appropriate corrective actions. Accidents and near miss episodes are shared at Group level in order to prevent the occurrence of similar cases in other Group's sites and share the so-called 'best practices'.

Environmental protection and development of dedicated projects

Special attention is paid to energy and water consumption and use of high-efficient technology. In 2023, the main activities having an impact on energy efficiency include efficient energy use in European immunodiagnostics sites. These initiatives include:

- replacement of lights with LED lights;
- replacement and optimization of air conditioning and cooling systems
- optimization of set points for heating systems;
- reduction of cold room volumetry;
- introduction of high efficiency systems for compressed air and production of purified water;
- elimination of waste along the steam distribution circuit for industrial processes.

In order to increase the Group's supply of renewable electricity a 1MWp photovoltaic system was installed on rooftops and shelters of the manufacturing facility in Saluggia. The energy produced will be almost totally self-consumed, i.e. absorbed by the site's electrical needs. The energy supplier is an Energy Service and the installation was carried out in collaboration with the suppliers on the basis of an agreement that provides for the financing of the system itself. As part of the same project, charging stations were installed and connected to the system for powering plug-in cars.

In 2023, Diasorin continued the project to introduce hybrid cars when the Company renewed part of its company fleet, in order to reduce the environmental impact of company transport. The initiative also saw the installation of charging stations for electric cars, which took place in 2020 at the Italian offices and was extended to other Group's sites.

The Group implemented actions aimed at reducing waste and disposal, by promoting separate waste collection and, where possible, reuse and recycle. To this end the Company introduced reusable containers for waste disposal in some manufacturing facilities and rules for the appropriate segregation of waste streams to ensure effective separate collection.

Over the last years, Group's facilities implemented several projects to raise its employees ‘awareness on the Environmental Sustainability values.

9.4 Results

Figures of EHS and health and safety performance provided below include all the Diasorin Group's Companies: both manufacturing and commercial facilities.

Subsidiaries' energy consumptions for electricity, heating and water were reported except in cases where data was not available. In these cases - since these are consumption quantities that do not impact the overall amount - an estimated consumption value was reported, when possible. For example, these are small-sized rented premises, where these costs are included in the regular fee paid.

Energy consumption

	2021			2022			2023		
Consumption [GJ]	**Renewable source**	**Non-renewable source**	**Total**	**Renewable source**	**Non-renewable source**	**Total**	**Renewable source**	**Non-renewable source**	**Total**
Consumption deriving from combustion of Natural Gas and other fuels	-	59,591	**59,591**	-	67,009	**67,009**	-	50,366	**50,366**
Electricity consumption	9,483	96,761	**106,244**	20,910	124,960	**145,870**	-	141,571	**141,571**
Consumption deriving from purchase of thermal energy							-	13,338	**13,338**
TOTAL	**9,483**	**156,353**	**165,835**	**20,910**	**191,969**	**212,879**	-	**205,275**	**205,275**
88%	**5.7%**	**94.3%**		**9.8%**	**90.2%**		**0.0%**	**100.0%**	

Disclosure 302-1 Energy consumption within the organization of the GRI Standard 302: Energy 2016.
With reference to the data in the table above, the Company used conversion factors published by DEFRA - UK Government GHG Conversion Factors for Company Reporting.

Energy consumption reported in 2023, when compared with the previous year, are attributed only to non-renewable sources following the Group's choice to consider energy as from non-renewable source only if Guarantees of Origin are present, in line with market best practices.

Water withdrawals

	Withdrawals [m3]		
Source	**2021**	**2022**	**2023**
Water supplies	47,848	68,722	64,815
Ground water	83,036	79,315	58,279
TOTAL	**130,884**	**148,037**	**123,094**
in water-stressed areas*	**7,663**	**8,373**	**6,541**

Disclosure 303-3 Water withdrawal of the GRI Standard 303: Water and effluents 2018

(*) The request for disclosure relating to withdrawals from water-stressed areas was introduced for the first time in the 2020 reporting following the update of the reference GRI Standard. Using the World Resources Institute's Aqueduct Water Risk Atlas tool, the location of the production sites of the Diasorin Group was analyzed to verify their location in areas subject to water stress, or with "Water-Stressed" values equal to "High" or higher. The analysis show that the only area located in a "Water-Stressed" area with a "High" value is represented by the plant of Diasorin USA, Cypress, for which withdrawals are provided in the table. Withdrawals are, in whole, attributable to water supplies. All other sites are located in areas with lower "Water-stressed" values.

In 2023, reduction in water consumption versus the previous year is mainly attributable to the improvement of cooling processes in the Italian manufacturing facility.

As described above, Diasorin does not define specific risks relating to the management of water resources since, based on the business in which it operates, its activities do not involve a significant water consumption. In fact, the water withdrawn is only minimally consumed within the production process for the production of the reagents.
All wastewater discharges take place in full compliance with local laws and regulations, ensuring the quality of the discharged water in accordance with the requirements of the receiving bodies of water.

Emissions

The following provides data of the Group's emissions classified into:

- scope 1 emissions are direct emissions from the combustion of fuel to generate thermal energy for heating system or for production process, for vehicles and refrigerant gas emissions[5]
- Scope 2 emissions connected to electricity consumption from non-renewable sources and purchasing of thermal energy, as well as heating system consumption at facilities that operate in rented premises.

With reference to the data in the tables below, starting from 2020, data on consumption of fuels such as methane gas, diesel, petrol and LPG was calculated by applying the emission conversion factors published by DEFRA- UK Government GHG Conversion Factors for Company Reporting 2020. For 2023, the Company used the emission conversion factors published in 2021. For the conversion of electricity, the reference "International Comparisons 2019" published by Terna was used as the latest update available. It is also specified that, with reference to the electricity of the commercial subsidiaries the Global Factor was used instead of the national reference factor.

[5] Si specifica che il Gruppo non fa uso di sostanze lesive dell'ozono nell'ambito dei processi produttivi: tali sostanze sono solo contenute in apparecchi per il condizionamento/raffreddamento ed eventuali rilasci in atmosfera sono legati a possibili guasti.

Emissions [tCO2eq]	2021	2022	2023
	3,204	4,627	3,894

Disclosure 305-1 Direct (Scope 1) GHG emissions of the GRI Standard 305: Emissions 2016

Emissions [tCO2eq]	2021	2022	2023
	10,938	15,264	15,001

Disclosure 305-2 Energy indirect (Scope 2) GHG emissions of the GRI Standard 305: Emissions 2016

Waste

Diasorin pays great attention to the management of waste produced at the company's premises and therefore has adopted an approach aimed at finding solutions to reduce waste. When this is not possible, careful waste segregation and disposal are implemented, preferring recycling and reusing activities.

In general, given the nature of the Group's activities and the types of waste produced (described in detail below), as provided in paragraph 3 relating to risk management, DiaSorin identifies the risk of non-compliance with current laws and if waste is not properly managed it could have negative environmental impact.

To mitigate these risks, Diasorin adopts the following systems:

- Diasorin tracks the amount of waste generated by its activities and classifies and manages it in line with applicable regulations in each country where it operates, providing for the adoption of specific management procedures for each site. Such procedures, where necessary, provide for the chemical analysis of waste for a correct classification.
- Waste generated by the Company is collected and classified according to the regulations in force in the different countries and managed by third party waste management facilities. Since the Group is responsible for proper waste disposal, the Company carries out regular audits on the off-site disposal facilities, to verify the adequacy of the procedures applied.

The following tables refer to hazardous and non-hazardous waste generated by the manufacturing and commercial facilities, excluding WEEE (Waste electrical and electronic equipment) that are reported in detail in a specific table.

	Waste produced (excluding WEEE) [t]		
Waste by type	**2021**	**2022**	**2023**
Hazardous waste	479	577	512
Non-hazardous waste	2,596	3,328	2,985
TOTAL	**3,076**	**3,905**	**3,497**

Disclosure 306-3 Waste generated of the GRI Standard 306: Waste 2020

Waste by destination	Waste produced (excluding WEEE) [t]		
	2021	2022	2023
Re-use/recycling/recovery	**33.4%**	**32.4%**	**30.5%**
Disposal	**66.6%**	**67.6%**	**69.5%**

The item "Disposal" includes the following categories by destination: incineration, landfill and other types of disposal.

The following table details waste produced by manufacturing facilities, broken down by type of disposal according to hazardous or non-hazardous waste.

Waste by type	Waste produced by industrial sites (excluding WEEE) [t] (*)		
	2021	2022	2023
HAZARDOUS	**478.51**	**577.35**	**511.91**
Directed to re-use/recycling/recovery			
of which directed to re-use	0.51	1.25	0.15
of which directed to recycling	0.61	0.80	4.80
of which directed to other recovery operations	0.00	0.00	0.47
Directed to disposal			
of which directed to incineration (with energy recovery)	17.54	77.89	63.05
of which directed to incineration (without energy recovery)	90.14	49.00	57.90
of which directed to landfill	6.46	16.54	15.06
of which directed to other disposal operations	363.26	431.87	370.49
NON-HAZARDOUS	**2,587.95**	**3,324.25**	**2,985.18**
Directed to re-use/recycling/recovery			
of which directed to re-use	4.63	15.71	16.89
of which directed to recycling	718.86	1,009.76	957.20
of which directed to other recovery operations	0.00	0.00	175.04
Intended for disposal			
of which directed to incineration (with energy recovery)	271.88	255.62	38.63

of which directed to incineration (without energy recovery)	45.46	255.89	134.63
of which directed to landfill	1,349.54	1,539.18	1,658.08
of which directed to other disposal operations	197.59	248.10	4.71
TOTAL	**3,066.46**	**3,901.60**	**3,497.10**

Disclosure 306-4 Waste diverted from disposal & Disclosure 306-5 Waste directed to disposal of the GRI Standard 306: Waste 2020
(*) The Disclosure on types of disposal by waste (hazardous/non-hazardous) has been introduced for the first time in the 2021 reporting, following the update of the reference GRI Standard.

With reference to the WEEE, the following table provides data on quantities produced and relevant treatment. As provided in the following tables, 100% of WEEE is recovered at authorized facilities.
The data relating to the quantities of waste produced and their destination changes over the years. This is mainly due to the impact of building renovations relating to Group's premises.

	Waste produced (WEEE) [t]		
Waste by destination	**2021**	**2022**	**2023**
Recovery	49	29	32
Disposal	-	-	-

Environmental compliance

In the three-year reporting period, no significant violation to environmental laws and regulations occurred.

Occupational Health and Safety

In accordance with GRI Standard on Occupational Health and Safety the following should be noted:

- indicators are calculated dividing both the number of injuries and the number of lost workdays by total hours worked and multiplying that number per 1'000'000;
- injuries included in the data refer to all injuries occurred in the Group companies, excluding commuting accidents;
- in the three-year reporting period, no occupational illnesses nor fatalities occurred in the DiaSorin Group's companies.

In 2023, 44 work-related injuries resulted in no absence while 15 work-related injuries resulted in workdays lost, despite an increasing number or worked hours, in particular in the new Chinese site. Severity of work-related injuries with workdays lost progressively reduced over the years. The company monitors all hazardous events reported by employees even those that have not caused injuries and conducts investigations into the root causes of accidents or "near miss" episodes, in order to implement the appropriate corrective actions to prevent the occurrences of similar cases in the future.

	2021	2022	2023
Number of work-related injuries without workdays lost	19	13	44
Number of work-related injuries with workdays lost	7	15	15
with serious consequences	0	0	0
Number of hours worked	4'504'166	5'652'993	6'527'046
Rates of work-related injuries without workdays lost	4.22	2.30	6.74
Rates of work-related injuries with workdays lost	1.55	2.65	2.30
rates of injuries with serious consequences	0	0	0
Percentage of work-related injuries with workdays lost on total employees *	0.20%	0.44%	0.46%
Rate of workdays lost due to work-related injuries**	26.42	98.71	23.90

Disclosure 403-9 Work-related injuries of the GRI Standard 403: Occupational Health & Safety 2018

*(*) Figures were adjusted to comply with the GRI 403-9. The indicator represents the ratio of work-related injuries with workdays lost to total Group employees *100. The total number of employees used in the computation is provided in paragraph 8 of the Consolidated Non-Financial Statement.*

(**) Figures were adjusted to comply with the GRI 403-9.

10. Relations with local communities

10.1 Diasorin's commitment and reference principles

As provided in the Code of Ethics of the Group "*Diasorin is also committed to contributing effectively to promoting the quality of life and social-economic development of the communities where the Group operates and to the development of human capital and local skills while, at the same time, carrying out its business, on internal and external markets, according to methods compatible with sound business practice*".

Diasorin's commitment to the promotion and socio-economic development of the communities in which it operates is set forth by the Code of Ethics which defines the principles to which the Group companies are required to abide by concerning money or in-kind contributions to support educational, scientific, artistic, cultural, social and humanitarian projects. In particular the Code defines requests for contribution to which the Company may agree and donations that are expressly prohibited (donations to individuals or to profit-making organizations). Particular attention is paid to the manner by which ensuring full transparency of the donation (the recipient's identity and use of the donation must be clear).

In July 2020 DiaSorin set up Fondazione Diasorin, a non-profit organization promoting scientific culture among young people and supporting excellence in schools. With a range of action extended to the entire Italian national territory, Fondazione DiaSorin has its own Bylaws that outlines the commitment to initiatives with civic, solidarity and social utility purposes *"in the field of scientific education and professional training through cultural activities of social interest for educational purpose "*.

It should be noted that the Fondazione does not fall within the scope of consolidation of the Diasorin Group and, therefore, of this NFS. For more information, see the dedicated focus on the following pages.

10.2 Instruments adopted

Following the reference principles set up by the Code of Ethics, DiaSorin actively supports the community in which it operates through a series of Corporate projects. These projects are part of the sustainability project developed at a corporate level. A commitment set out in our Code of Ethics, which defines the fundamental principles to be followed in the management of cash or in-kind contribution for educational, scientific, artistic and cultural purposes, as well as social and humanitarian purposes. Following the principles of the Code of Ethics Diasorin supports the local communities through projects that aim at inciting passion for science, supporting people's talent and achieving a positive impact on the environment.

Diasorin applies this classification also to initiatives that are developed locally by its international branches, in order to promote a homogeneous management and classification of initiatives, at a Group level.

Corporate projects need to be assessed and approved by the ESG Steering Committee in which the CEO participates.

10.3 Results

In line with these reference targets, Diasorin supports the development, growth and well-being of the local communities in which it operates. In particular, the U.S. subsidiaries of the Diasorin Group, DiaSorin Inc., DiaSorin Molecular, LLC. and Luminex took part in several initiatives, including fundraising and funding while promoting science education projects at local high schools.

10.3.1 Nurturing a passion for science

Our commitment to nurturing a passion for science and science education resulted in the organization of several scientific events and symposia aimed at improving the medical research.

These projects were so successful that they became annual editions every student looks forward to in the field of scientific education. For this reason, we decided to further nurturing interest in science by creating a Fondazione dedicated to these projects.

Fondazione Diasorin

Fondazione Diasorin, which has been operating throughout the country since 2020 on the field of education and scientific training, aims to support the interest of future generations in scientific disciplines and careers, with a particular focus on Life Sciences.

Fondazione Diasorin is a tangible manifestation of DiaSorin's commitment to young generations and to the world of education. It intends to promote scientific culture, developing and supporting projects that actively engage students and teachers in the world of science.

Among the initiatives promoted by Fondazione Diasorin in 2023 are Mad for Science and Mad for Science for Teachers projects.

The Mad for Science project

The competition is open to Scientific High Schools (both ordinary and Applied Sciences curricula), to Classical High Schools featuring biology and biomedical curricula and to technical institutes, both private and public, all over Italy. Also in 2023, students' commitment and design hours were recognized in the PCTO- Pathway for Transversal Skills and Orientation (former school-work program) thanks to *ad hoc* agreements between the Fondazione and schools.

Also for the 2022 edition, the Ministry of Education and Merit has recognized the Mad for Science project as an initiative to promote excellence in High Schools. The seventh edition increased the prize pool for schools (from €175,000 to €200,000) and introduced the third prize, so that the three best schools can develop their own projects.

The topic of the competition in 2023 focused on green, blue and grey biotechnologies for the promotion and protection of people's health and the environment. In the color code of biotechnologies, the green ones are dedicated to agriculture, the blue ones to the marine and aquatic environment and, finally, the grey ones to environmental restoration and preservation of biodiversity.

Each High School participated in the competition with a team of 5 students and a science teacher and developed a project in collaboration with at least a local scientific body. Among the over 140 applications received, 8 finalist teams have been shortlisted for the Mad for Science Challenge.

The final was held on May 24, 2023 in Turin at the Officine Grandi Riparazioni. The Jury made up of authoritative members from the world of the Academia, scientific research and communication awarded prizes for a total of € 200,000 thousand for the implementation of a biolaboratory and for the purchase of reagents and consumables over the next years. In 2023, "G. Galilei" High School in Catania won first place; the "Duca degli Abruzzi" Technical Institute in Elmas (CA) won second place and the "Da Vinci-Majorana" High School in Mola di Bari won third place. The event is available on the Fondazione 's YouTube channel.

Finally, to reward the enormous effort of the finalist schools, the Finalist Award has been awarded to the other 5 Schools that made it to the final: The "G. Galilei" High School in Alessandria, the "L.Einaudi" Technical Institute in Canosa di Puglia (BT), the "Ciampoli-Spaventa" High School in Atessa (CH), the "E. Majorana" High School in Rho (MI) and the "De Viti-De Marco" Technical Institute in Valenzano (BA).

The Mad for Science for Teachers projects

Fondazione Diasorin is aware that to actively teach and spark students' interest in science, teachers increasingly need to update their own knowledge and teaching methods. For this reason the **Mad for Science for Teachers**, which was launched in 2022, continued also in 2023.

The project is addressed to science teachers of the Mad for Science winning schools and envisages different initiatives that follow three main guidelines which are crucial to help teachers engage their students in science.

To establish key areas, Fondazione Diasorin relied on a technical-scientific Committee made up of a team of experts: science teachers, university professors and experts in teacher training.

Key areas are the following:

1. continuous update on the frontiers of science, through meetings with scientists;
2. acquisition of new teaching methods to make science teaching more engaging and exciting, through specific workshops;
3. laboratory experiments, through theoretical-practical courses.

Regarding area 1, which includes in-depth meetings on science-related topics held by Italian scientists, 3 webinars took place in 2023:

- "**Journey through genetic diseases**" held on February 15, 2023 by Dr. Nicola Brunetti-Pierri, - Professor of Pediatrics at the Department of Translational Medicine, at Federico II University, Naples, Italy. The webinar was attended by 60 teachers from 16 schools of the Mad for Science network of 10 Italian regions;
- " **The CRIPSR-CAS9 technology in Life Sciences ",** held on March 14, 2023 by Dr. Anna Cereseto - Full Professor of Molecular Biology at the University of Trento. The webinar was attended by 51 teachers from 17 schools of 11 regions Italian.
- " **Molecular biology research in the post genomics**" held on March 23, 2023 by Professor Irene Bozzoni, full professor of Molecular Biology at La Sapienza University of Rome. The webinar was attended by 39 teachers from 17 schools of 14 regions Italian.

In relation to area 3, Fondazione Diasorin carried out theoretical-practical course on Biotechnology attended by 13 science teachers from the 3 winning schools of the 2023 edition, in collaboration with the Centro Università degli Studi of Milano - Scuola per la diffusione delle Bioscienze. The aim of the course was to deliver a "hands-on" experience and increase teacher's laboratory skills. Furthermore, the Fondazione has developed and implemented the first school of research for teachers named "Genomics and Evolution" with the aim of constantly updating laboratory and theoretical knowledge of the winning schools of the Mad for Science competition. The residential course, carried out with the collaboration of the University of Milan, the University of Ferrara and the Vita-Salute San Raffaele University of Milan held from on 25 - 28 October 2023, concerned both practical exercises in schools and theoretical lectures on the role of genomics and post-genomics in evolutionary studies, in particular regarding the human species.

10.3.2. Supporting talent of people

Recognizing and fostering the human talent, promoting talent in all its forms, having a positive impact on people's lives, engaging in local communities: our Diversity and Inclusion projects stem from these values. Initiatives of great social value involving small patients and great talents.

FISIP": Supporting disability in sport, Sponsorship as per four-year contract (2023-2026)

The purpose of the project is promoting local excellence and celebrating talent. Between 2016 and 2022, Diasorin asked the Italian Federation of Paralympic Winter Sports (FISIP) to select talented and excellent athletes to represent Italy at the 12th Winter Paralympics in PyeongChang -South Korea. Athletes shortlisted by FISIP carried out their athletic and sports training course with the support of a contribution received from Diasorin.

Italian athletes achieved important results at the 2018 Paralympics, held between 9 and 18 March in the same venue that hosted the 12th Winter Olympic Games. The national team won giant slalom and slalom (2 gold), snowboard cross and super G (2 silver) and downhill (1 bronze). It was a great success if compared with the previous editions of 2014 Sochi Winter Games, where Italian athletes won no medals.

For this reason, Diasorin decided to support again this project in the 2019-2022 four-year period, along with the talented athletes that the Italian Federation of Paralympic Winter Sports selected and trained to represent Italy in the 2022 Paralympic Games in Beijing. Positive results didn't come late. The Italian athletes have further increased the number of medals won compared to the previous edition bringing home seven medals: 2 gold, 3 silver and 2 bronze.

Given these important results and the social value of this partnership, DiaSorin and FISIP renewed their agreement. From January 2023 and for the whole 2026, DiaSorin will support the TALENT FISIP Project by contributing, with its own sponsorship, to the physical and technical preparation of some particularly promising athletes in alpine skiing, Nordic skiing and snowboarding. This is strategic commitment for a crucial four-year period, which will end with the highly anticipated Milan – Cortina 2026 Paralympics.

“EDGA Paralympic Golf”: Supporting disability in sport

Launched in 1996, the Giovanni Nasi Trophy has always been an example of inclusion in the Italian golf scene having reserved, since its first edition, a ranking and a prize for the first disabled golfer. 2022 was a turning point: the tournament changed its nature and became an international competition of the EDGA (European Disabled Golfers Association) circuit, valid for the world ranking approved by the Italian Golf Federation and sponsored by the Italian Paralympic Committee.

Diasorin has enthusiastically joined the project without any limitation to its sponsorship, combining professionalism and enthusiasm and adhering to the value of inclusivity conveyed by sport. In the second edition, the Giovanni Nasi trophy involved more than 70 athletes, coming from Italy, France, Switzerland, Czech Republic, Israel, Belgium, Chile, United Kingdom, Ireland, Netherlands, Turkey, Germany, Slovakia. It is one of the most numerous tournaments of the EDGA circuit.

“Italian Sitting Volley Championship – Diasorin Cup”

The Diasorin Cup is the largest Italian sitting volleyball (Paralympic discipline derived from volleyball) event, bringing values inclusion and integration social to the field. event (Paralympic discipline derived from volleyball), which brings the values of inclusion and social integration to the field. It is a very popular event we have been proudly sponsoring since 2016. Celebrating the strength of inclusion and the universality of sport, the DiaSorin Cup Sitting Volley confirms the Group's commitment to promoting local Excellence and celebrating talent in all its forms, especially when expressed through difficulties and disability.

In 2021, during its seventh edition, the DiaSorin Sitting Volley Cup turned into the first "All Star Game" of Italian sitting volleyball, the first Italian sitting event completely reserved to Paralympic players.

10.3.3. Positive impact on the environment and people

Also in 2022, the Diasorin Group’s companies implemented several CRS initiatives in local communities, focusing on actions and funding that had a positive impact on health and well-being of local communities in which the Group operates.

"Pinocchio Project"

Every year the “Project for Hospitals & Childhood – Pinocchio Project” is committed to promoting an initiative on the Italian territory with the aim of improving the quality of life of children within hospital settings, in the areas of education, medical care and diagnostic tests through the support of some sponsor companies, among which Diasorin is a "major donor". The Pinocchio Project for Hospitals & Children started in 2014 and has seen the continuous contribution of Diasorin since its inception. Active in three Piedmont hospitals, it supports over 3,000 children admitted each year in their education, search for normality, in their desire for as-nice-as-possible hospital experience. In particular, in 2015 Diasorin provided tablet and technological devices to the 60 hospital teachers operating in Piedmont and their students: a concrete way to make teaching more streamlined and engaging, building an effective bridge between the healthcare and the school systems.

But the scope of Project Pinocchio isn’t limited to education. In 2016, the project partners funded an aesthetic restyling of the CT Scan room in Turin’s Regina Margherita Hospital. The room was transformed into a cozy and colorful forest, thanks in part to sophisticated stickers applied to the diagnostics equipment. Children can now approach this delicate examination in an ambience that speaks the same language as their imagination and where they can feel a bit less frightened. This had some surprising results: for example, fewer kids now require sedation before the radiological procedure.

In 2019, the restyling initiative attracted a new high-profile partner, The Walt Disney Company, with which Diasorin was able to replicate the project at Genoa's Gaslini Hospital, bringing the fantastic world of Pixar "Toy Story" characters into the CT scan room.

2020 saw Diasorin engaged in a third Project Pinocchio initiative to humanize the Italian children's hospitals. The Regina Margherita Children's Hospital in Turin's "City of Health" was given a portable X-ray machine, nicknamed "Dr. Giraffe" and personalized to look like a friendly female giraffe for a more child-friendly radiological diagnostic experience.

In 2021, Pinocchio Project continued with the donation of a portable autorefractor personalized to look like a mouse and nicknamed "Doctor Topo LINO" to the Genoa's Gaslini Hospital. This instrument is essential for the calculation of the intraocular lens to be implanted at the time of cataract surgeries and for the evaluation of refractive errors of young patients. The kid-friendly instrument helps create a more familiar diagnostic environment and is part of the hospitals' humanization path to make young patient care more and more serene.

In 2022, Diasorin supported the development of a project addressed to little patients featuring cutting-edge technology. The project was fully implemented in 2023. Thanks to our contribution, the Regina Margherita Children's Hospital in Turin will be equipped with an innovative rehabilitation tool, named Kymeia - a digital orthopedic device for Recovery and high-level remote rehabilitation. The medical device is the most advanced, complete, and clinically proven virtual reality system for rehabilitation and tele-rehabilitation in the world Conceived as a central HUB" to which it is possible to connect a series of specialized peripheral devices, this device is equipped with a vast library of exercises and is able to deliver up to 20 different rehabilitation modules with a single unit. This device is innovative also if used remotely and will make it possible to monitor the exercises and progresses of the little patients leaving them quiet in their family daily life. VRRS Evo can be used for the rehabilitation of a wide spectrum of pathologies thanks to the numerous modules available: Motor skills, Cognitive, Speech Therapy, Phonation, Dynamic and Static Postural, Facial, Hand & Wrist, Cardiorespiratory, Orthopedic, EMG, tDCS, Isoinertial, Immersive VR, Augmented Reality and others.

Thanks to the commitment of Diasorin the new device will be placed in a completely renovated rehabilitation space and refurbished with playful and fun settings, to accommodate the patients in a child-friendly environment.

Development and passion for Science	
STEM Link	Participation of colleagues in events aimed at giving visibility to the world of work and to the applications of "STEM" disciplines for students in lower secondary schools.
Career Day	In 2023, Diasorin Italia S.p.A. organized a Career Day at the Politecnico of Turin and other several initiatives such as "Oggi Lavoro" and further career days at the University of Piemonte Orientale and at ITS Biotecnologie Piemonte, to bridge the gap between university and world of work. Through this kind of Employer branding events, Diasorin strengthens the bond with local young generations by disseminating information on the Company, its main activities concerning retention and talent developments. These events are also a networking opportunity and possible internships at the company.

Positive impact on the Environment and People	
Christmas Hamper	Diasorin UK donated Christmas hampers to local associations promoting Alzheimer's research.
Operation Clean River 2023	Employees of Diasorin Poland voluntarily engaged in an environmental cleaning activity aimed at collecting waste along the Vistula River in Toruń, Poland, for a distance of about 2 km, in collaboration with Strona Sp. z o.o., which was responsible for coordinated and preparing cleaning tools. Employees collected 660 kg of waste during the activity.
Support to "Associazione Vita Tre Saluggia"	Diasorin financed the purchase of a new car used by the Association for transport services provided to the local community, in particular to sick and disabled people, by allocating the remaining amounts of Welfare accrued in the previous year.

11. Correlation table between Legislative Decree 254/16 and material topics

Topic as per Leg. Decree 254/2016	Material Topic	Identified risks	Policies adopted	Reporting scope
ENVIRONMENTAL TOPICS	Environmental Management	See chapter 3 “Identification of risks and opportunities”, paragraph 3.7 “Topics relating to environmental management”	See chapter 9 “Environment, Health and Safety”	Data collection and reporting include all Group’s companies, including commercial subsidiaries. Subsidiaries data for consumption and waste are included in the scope of consolidation, except where data are not available because they are included in service expenses and therefore it was not possible to find the exact data or make an estimate, as for small sized rented premises where such expenses are included in periodic costs and cannot be unbundled.
SOCIAL TOPICS	Management of relations with local communities	See chapter 3 “Identification of risks and opportunities”, paragraph 3.6.1 “Relations with local communities”	See chapter 10 "Relations with local communities"	The scope of data collection on social initiatives was extended to all Group companies, in addition to initiatives developed at a Corporate level. With reference to the initiative developed at local level by the Group's Companies, the Group reported the most relevant initiatives and initiatives that are most in line with the CSR criteria defined at central level to support local initiatives. With reference to this single topic, initiatives developed by Fondazione Diasorin, which is not included in the scope of the Financial Statements, have been reported at qualitative level in the NFS.
	Research, innovation and technological excellence	See chapter 3 “Identification of risks and opportunities”, paragraph 3.4 “Topics relating to research, innovation and technological excellence”	See chapter 7 "Research, innovation and technological excellence"	The scope of data includes all the current Group’s projects in the reference period.
	Customer satisfaction	See chapter 3 “Identification of risks and opportunities”, paragraph 3.3 "Customer satisfaction"	See chapter 6 "Customer relations and customer satisfaction"	The scope includes all Group’s Companies.
	Quality of products and processes	See chapter 3 “Identification of risks and opportunities”, paragraph 3.2 "Quality of products and processes”	See chapter 5 "Quality of products and processes"	The scope of data includes manufacturing facilities, where products/services having a direct impact on end product compliance are purchased.
EMPLOYEE-RELATED TOPICS	Training and development	See chapter 3 “Identification of risks and opportunities”, paragraph 3.5 "Employee-related topics”	See chapter 8 " Employee management"	Data collection and reporting is extended to all Group companies. With reference to the workforce data by degree, it should be noted that the data reported in this NFS cover, to date, about 80% of the employees of the Companies newly acquired by the Luminex Group.
	Employees' welfare			

	Diversity and inclusion			
	Employment and dialogue with social partners			
	Health and safety		See chapter 9 “Environment, Health and Safety”	The scope includes all Group’s Companies.
RESPECT FOR HUMAN RIGHTS	Human Rights	See chapter 3 “Identification of risks and opportunities”, paragraph 3.6.2 "Respect for human rights"	See paragraph 3.6.2 "Respect for human rights" and paragraph 2.3 " The Group's Code of Ethics"	The scope includes all Group’s Companies.
FIGHT AGAINST CORRUPTION	Business ethics, anti-corruption and fight against anti-competitive behavior	See chapter 3 “Identification of risks and opportunities”, paragraph 3.1 "Topics related to ethical business practices, fighting against corruption and anti-competitive behavior"	See paragraph 4 “Ethical business practices, fight against corruption and anti-competitive behavior”	The scope includes all Group’s Companies.

12. The GRI content index

Statement of use	The Diasorin Group reported the information provided in this GRI content index included between January 1, 2023 and December 31, 2023 with reference to the GRI Standards.			
Use of GRI 1	GRI 1 - Foundation - 2021 version			
GRI Standard	**Disclosure**	**Paragraph**		**Notes**
		Section	**Page no.**	
General disclosure				
GRI 2: General Disclosure - 2021 version	Disclosure 2-1 Organizational details	Relazione sul Governo Societario e gli Assetti Proprietari	50	This Disclosure is reported in the paragraph of the document indicated in column "Section" of which the DNF is an integral part.
	Disclosure 2-2 Entities included in the organization's sustainability reporting	1.3 Reference scope and reporting period	132	-
	Disclosure 2-3 Reporting period, frequency and contact point	1.3 Reference scope and reporting period	132	Points a., b. and c. reported
	Disclosure 2-4 Restatement of information	1.2. Reporting standards	131	-
	Disclosure 2-5 External Assurance		131	Point b. reported
	Disclosure 2-6 Activities, value chain and other business relationships	2.1 The Diasorin Group 's business	133	
	Disclosure 2-7 Employees	8. Employee management	171	Figures relating to Company's employees refer to the staff in force on 12/31 of the reference year. The

				Diasorin Group does not have non-guaranteed hours employees.
	Disclosure 2-30 Collective bargaining agreement	8. Employee management	171	Figures were calculated as the ratio of employees covered by collective bargaining agreement to total Group employees. It should be noted that the topic is not applicable to all countries where the Group operates.
GRI 207: Taxes - 2019 version	Disclosure 207-1 Approach to tax	2.6 Tax management	148	Disclosure 207-1: Aspects reported as referred to points a. i., ii., iii,
	Disclosure 207-2 Tax governance, control and risk management	2.6 Tax management	148	Disclosure 207-2: Aspects reported as referred to points a. i., ii., iii,
	Disclosure 207-3 Stakeholder engagement and management of concerns related to tax	2.6 Tax management	148	Disclosure 207-3: Aspects reported as referred to points a. i.
	Disclosure 207-4 Country-by-country reporting	GRI 207 - FY 2021 GRI Disclosure Table	201	Disclosure 207-4: Aspects reported as referred to points a. i., ii., iii, iv, v, vi, vii, viii, ix, x
Material topics				
GRI 3: Material Topics – 2021 version	Disclosure 3-1 Process to determine material topics	2.2.2. Topics relevant to the Diasorin Group	138	-
	Disclosure 3-2 List of material topics	2.2.2. Topics relevant to the Diasorin Group	138	-
Material Topic: research, innovation and technological excellence				
GRI 3: Material Topics – 2021 version	Disclosure3-3 Management of material topics	3. Identification of risks and opportunities; 7. Research, innovation and technological excellence	151; 166	-

Material topic: Quality of products and processes				
GRI 3: Material Topics – 2021 version	Disclosure3-3 Management of material topics	3. Identification of risks and opportunities; 5. Quality of products and processes	151; 158	-
Material topic: Customer satisfaction				
GRI 3: Material Topics – 2021 version	Disclosure3-3 Management of material topics	3. Identification of risks and opportunities; 6. Customer relations and customer satisfaction	151; 163	-
Material topic: Employment and dialogue with social partners				
GRI 3: Material Topics – 2021 version	Disclosure3-3 Management of material topics	3. Identification of risks and opportunities; 8. Employee management	151; 171	-
GRI 401: Employment - 2016 version	Disclosure 401-1 New employee hires and employee turnover	8. Employee management	171	New hires and turnover rate are determined as the ratio of employees who joined and left the company in 2023 to the workforce at 12/31 of the year under consideration. New hires rate is presented at Group level (cumulative). The indicator is not presented with a breakdown by geographical area.
Material Topic: Business ethics, anti-corruption and fight against anti-competitive behavior				
GRI 3: Material Topics – 2021 version	Disclosure3-3 Management of material topics	3. Identification of risks and opportunities; 4. Ethical business practices, fight against corruption and anti-competitive behavior	151; 156	-

GRI 205: Anti-Corruption - 2016 version	Disclosure 205-2 Communication and training about anti-corruption policies and procedures	4. Ethical business practices, fight against corruption and anti-competitive behavior	156	The indicator is presented in absolute value without breakdown by geographical area.
Material topic: Training and development				
GRI 3: Material Topics – 2021 version	Disclosure3-3 Management of material topics	3. Identification of risks and opportunities; 8. Employee management	151; 171	-
GRI 404: Training and education - 2016 version	Disclosure 404-1 Average hours of training per year per employee	8. Employee management	171	Average training hours are determined as the ratio between training hours provided and number of employees at 12/31 of the reporting year. Part of 2022 figures is estimated as a complete information is not available. As no material changes occurred in 2022, estimate was carried our starting from training hours provided in 2021 and remeasured on the number of employees in force at December 31, 2022.
	Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	8. Employee management	171	The indicator refers to employees that have a part of variable compensation (i.e., MBO, Incentives), managed through the PMP LEAD program and, more generally, to all employees subject to a formal periodic review of the performance. The abovementioned process includes employees hired in the last months of the year even though they have yet to be assessed
Material Topic: Employees' welfare				
GRI 3: Material topic 2021	Disclosure3-3 Management of material topics	3. Identification of risks and opportunities; 8. Employee management	151; 171	-

Material topic: Management of relations with local communities				
GRI 3: Material topic 2021	Disclosure3-3 Management of material topics	3. Identification of risks and opportunities; 10. Relations with local communities	151; 191	-
Material topic: Health and safety				
GRI 3: Material topic 2021	Disclosure3-3 Management of material topics	3. Identification of risks and opportunities; 9. Environment, health and safety	151; 182	-
GRI 403: Occupational Health and safety - 2018 version	Disclosure 403-1 Occupational health and safety management system	9. Environment, health and safety	182	-
	Disclosure 403-2 Hazard identification, risk assessment and incident investigation	9. Environment, health and safety	182	-
	Disclosure 403-3 Occupational health services	9. Environment, health and safety	182	-
	Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety	9. Environment, health and safety	182	-
	Disclosure 403-5 Worker training on occupational health and safety	9. Environment, health and safety	182	-
	Disclosure 403-6 Promotion of worker health	9. Environment, health and safety	182	-
	Disclosure 403-7 Prevention and	9. Environment, health and safety	182	-

	mitigation of occupational health and safety impacts directly linked by business relationships			
	Disclosure 403-9 Work-related injuries	9. Environment, health and safety	182	Injury rate and lost day rate indicators are calculated dividing both the number of injuries and the number of lost workdays (calendar days) by total hours worked and multiplying that number per 1'000'000. Point b. not reported
Material Topic: Diversity and inclusion				
GRI 3: Material Topics – 2021 version	Disclosure3-3 Management of material topics	3. Identification of risks and opportunities; 8. Employee management	151; 171	-
GRI 405: Diversity and equal opportunity - 2016 version	Disclosure 405-1 Diversity of governance bodies and employees	8. Employee management	171	Point b. reported Data reported in absolute value
	Disclosure 405-2 Ratio of basic salary and remuneration of women to men	8. Employee management	171	The ratio of women/men salary was computed adding the monthly wages of the Group's Companies' employees (except for small-sized commercial branches, as staff is composed only of men) converted into euros according to the average exchange rate in local currency in 2023. The report provides only the ratio of women/men basic salary at Group level. In 2023 data include also the "Executive" category, in addition to white collars and blue collars. For calculation of this indicator Executives with strategic responsibilities were removed from this professional category. Their remuneration is disclosed in the " Report on the Remuneration and fees paid" available on Group's website.

Material topic: Environmental management				
GRI 3: Material Topics – 2021 version	Disclosure3-3 Management of material topics	3. Identification of risks and opportunities; 9. Environment, health and safety	151; 182	-
GRI 302: Energy - 2016 version	Disclosure 302-1 Energy consumption within the organization	9. Environment, health and safety	182	For conversion of energy consumption in GJ the company used DEFRA, UK Government GHG Conversion Factors for Company Reporting
GRI 302: Water and effluents - 2018 version	Disclosure 303-1 Interactions with water as a shared resource	9. Environment, health and safety	182	-
	Disclosure 303-2 Management of water discharge-related impacts	9. Environment, health and safety	182	-
	Disclosure 303-3 Water withdrawal	9. Environment, health and safety	182	-
GRI-305: Emission - 2016 version	Disclosure 305-1 Direct (Scope 1) GHG emissions	9. Environment, health and safety	182	For conversion of consumption in GJ the company used DEFRA, UK Government GHG Conversion Factors for Company Reporting and Terna - international comparisons. Computation of Scope 1 emissions includes direct emissions from the combustion of fuel to generate thermal energy for heating system or for production processes, for vehicles and refrigerant gas emissions.
	Disclosure 305-2 Energy indirect (Scope 2) GHG emissions 2)	9. Environment, health and safety	182	Computation of Scope 2 emissions includes emissions connected to electricity consumption from renewable and non-renewable sources and purchase of thermal

				energy, as well as heating system at the Italian headquarter where such expenditure is included among common costs. These emissions are calculated according to the location-based mode. Given the energy composition of the organization, the market-based mode is not, to date, applicable.
GRI 306: waste - 2020 version	Disclosure 306-1 Waste generation and significant waste-related impacts	9. Environment, health and safety	182	-
	Disclosure 306-2 Management of significant waste-related impacts	9. Environment, health and safety	182	-
	Disclosure 306-3 Waste generated	9. Environment, health and safety	182	-
	Disclosure 306-4 Waste diverted from disposal	9. Environment, health and safety	182	The indicator is reported for waste of those manufacturing facilities that generate most of the waste.
	Disclosure 306-5 Waste directed to disposal	9. Environment, health and safety	182	The indicator is reported for waste of those manufacturing facilities that generate most of the waste.
Material topic: Human Rights				
GRI 3: Material Topics – 2021 version	Disclosure3-3 Management of material topics	2.3 The Group's Code of Ethics; 3. Identification of risks and opportunities	146; 151	-

13. GRI 207 Disclosure Table – FY 2022

	Revenues from third parties	Infra-group Revenues	Profit/loss before tax	Taxes paid ("Cash Basis")	Accrued taxes	Number of employees	Tangible assets
Italy	214,105	373,958	111,157	56,534	25,198	765	166,582
Austria	17,136	21	1,293	557	337	18	1,904
Australia	22,392	49	1,463	789	542	25	6,940
Belgium	18,599	956	2,265	100	605	24	1,923
Brazil	17,698	5	1,695	667	320	38	4,479
China	45,919	7,907	-2,772	323	-255	169	36,602
Rep. Czech	6,811	4	285	412	59	14	1,298
Germany	68,032	24,824	2,680	1,502	763	184	19,471
Spain	42,225	799	2,939	541	799	46	6,679
France	35,817	1,453	1,702	1,145	431	54	5,564
UK	22,094	22,064	5,185	109	985	123	27,962
Mexico	8,982	841	660	44	28	28	3,338
Holland	10,844	10,962	4,865	217	1,794	41	2,351
Portugal	4,199	34	334	17	62	4	655
Sweden	15,120	-1	1,180	242	382	19	701
Switzerland	16,481	85	1,697	252	204	13	1,109
Poland	10,847	183	-73	40	51	21	2,274
India	6,253	90	204			32	2,770
USA	785,085	200,489	165,249	30,284	44,069	1,713	336,976
Israel	11,551	72	1,136	478	258	13	2,237
South Africa			0		1		0
Canada	4,645	54,138	26,208	2,527	6,197	101	11,945
Ireland			0				0
Singapore	11	1,086	53	7	7	4	
Slovakia	1,906		-32	-41	40	3	433
Dubai	0	899	14		0	4	19
Hong Kong	256	2,112	185	13	30	11	596
Japan	716	2,649	294	36	104	12	723
TOTALE	**1,387,724**	**705,679**	**329,866**	**96,795**	**83,011**	**3,479**	**645,531**

		Constituent bodies resident in the fiscal jurisdiction	**Fiscal jurisdiction of the organization or constituent body if different from fiscal jurisdiction residence**	**Research & Development**	**Holding or managing intellectual property**	**Production**	**Sale, marketing or distribution**	**Administrative, management and support services**	**Holding shares or other equity instruments**	**Dormant**
Italy	DIN Limited	Ireland		X						
Italy	DiaSorin S.p.A.		X	X	X	X	X	X	X	
Italy	DiaSorin Italia S.p.A.		X	X	X	X				
Austria	DiaSorin Austria GmbH					X				
Australia	DiaSorin Australia Pty Ltd					X				
Australia	Labpac Pty Ltd.									X
Belgium	DiaSorin SA/NV					X				
Brazil	DiaSorin LTDA.					X				
China	DiaSorin Ltd					X				
China	Luminex Trading (Shanghai) Co. Ltd						X			
Rep. Czech	DiaSorin Czech s.r.o.					X				
Germany	DiaSorin Deutschland GmbH				X	X				
Spain	DiaSorin Iberia SA					X				
France	DiaSorin SA					X				
UK	DiaSorin Limited					X				

UK	DiaSorin S.p.A. UK Branch				X					X
UK	DiaSorin ITALIA S.p.A. (UK Branch)				X					
UK	Luminex London Ltd						X			X
Mexico	DiaSorin Mexico Sa de CV					X				
Holland	DiaSorin SA/NV Dutch Branch					X				
Holland	Luminex B.V.						X			X
Holland	Luminex 3 B.V.								X	
Holland	Luminex 2 B.V.								X	
Portuga l	DiaSorin Iberia SA Sucursal em Portugal					X				
Sweden	DiaSorin AB					X				
Switzerl and	DiaSorin Switzerland AG					X				
Poland	DiaSorin Polska sp. z o.o.					X				
India	DiaSorin Healthcare India Pvt Ltd					X				
USA	DiaSorin Inc.		X	X	X	X			X	
USA	DiaSorin Molecular,L LC				X	X				
USA	Luminex Corporation		X	X	X	X			X	
USA	NANOSPHE RE LLC									X
USA	CHANDLER TEC LLC									X

USA	AMNIS LLC									X
USA	LUMINEX INTERNATIONAL INC								X	
USA	IRIS BIOTECH LLC									X
Israel	DiaSorin Ltd					X				
South Africa	DiaSorin South Africa LTD									X
Canada	DiaSorin Canada, Inc.						X			
Canada	Luminex Molecular Diagnostics Inc.		X	X	X					
Ireland	DiaSorin Ireland Ltd									X
Singapore	DiaSorin Apac Pte						X			
Slovakia	DiaSorin Czech, s.r.o., organizačná zložka					X				
Dubai	DiaSorin Middle East FZ-LLC						X			
Hong Kong	Luminex Hong Kong Co. Ltd						X			
Japan	Luminex Japan Corporation Ltd						X			

14. Annex (to Taxonomy)

In this annex we provide the templates containing the disclosure requirements accompanying the Key Performance Indicators ("KPI") of non-financial businesses, pursuant to art. 1.2 of Annex I to the art. 8 Delegated Act, for 2023 year.

TABLE 1 – REVENUES

Share of revenues from products or services associated with taxonomy aligned activities

Esercizio finanziario 2023				Criteri per il contributo sostanziale						Criteri per "non arrecare un danno significativo"									
Attività economiche	Codici	Fatturato assoluto	Quota di fatturato, anno N	Mitigazione dei cambiamenti climatici	Adattamento ai cambiamenti climatici	Acque e risorse marine	Inquinamento	Economia circolare	Biodiversità ed ecosistemi	Mitigazione dei cambiamenti climatici	Adattamento ai cambiamenti climatici	Acque e risorse marine	Inquinamento	Economia circolare	Biodiversità ed ecosistemi	Garanzie minime di salvaguardia	Quota di fatturato allineata (A.1.) o ammissibile (A.2.) alla tassonomia, anno N-1	Categoria (attività abilitante)	Categoria (attività di transizione)
		EUR/000	%	Sì; No; N/AM	Sì; No; N/AM	Sì; No; N/AM	Sì; No; N/AM	Sì; No; N/AM	Sì; No; N/AM	Sì/No	Sì/No	Sì/No	Sì/No	Sì/No	Sì/No	Sì/No	%	A	T
A. ATTIVITA' AMMISSIBILI ALLA TASSONOMIA																			
A.1 Attività ecosostenibili (allineate alla tassonomia)																			
N/A			0,00%														0,00%		
Fatturato delle attività ecosostenibili (allineate alla tassonomia) (A.1)		-	0,00%														0%		
Di cui abilitanti		-	0,00%														0%		
Di cui di transizione		-	0,00%														0%		
A.2 Attività ammissibili alla tassonomia ma non ecosostenibili (attività non allineate alla tassonomia)																			
N/A				AM;N/AM	AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM								0%		
Fatturato delle attività ammissibili alla tassonomia ma non ecosostenibili (attività non allineate alla tassonomia) (A.2)		-	0,00%																
A. Fatturato delle attività ammissibili alla tassonomia (A.1+A.2)		-	0,00%	0,00%	0%	0%	0%	0%	0%								0%		
B. ATTIVITÀ NON AMMISSIBILI ALLA TASSONOMIA																			
Fatturato delle attività non ammissibili alla tassonomia		1.148.210,00	100,00%																
TOTALE		1.148.210,00	100,00%																

TABLE 2 – CAPEX

Share of CapEx from products or services associated with taxonomy aligned activities.

Esercizio finanziario 2023				Criteri per il contributo sostanziale						Criteri per "non arrecare un danno significativo"									
Attività economiche	Codici	CapEx assoluto	Quota di CapEx, anno 2023	Mitigazione dei cambiamenti climatici	Adattamento ai cambiamenti climatici	Acque e risorse marine	Inquinamento	Economia circolare	Biodiversità ed ecosistemi	Mitigazione dei cambiamenti climatici	Adattamento ai cambiamenti climatici	Acque e risorse marine	Inquinamento	Economia circolare	Biodiversità ed ecosistemi	Garanzie minime di salvaguardia	Quota di CapEx allineata (A.1.) o ammissibile (A.2.) alla tassonomia, anno N-1	Categoria (attività abilitante)	Categoria (attività di transizione)
		EUR/000	%	Sì; No; N/AM	Sì; No; N/AM	Sì; No; N/AM	Sì; No; N/AM	Sì; No; N/AM	Sì; No; N/AM	Sì/No	Sì/No	Sì/No	Sì/No	Sì/No	Sì/No	Sì/No	%	A	T
A. ATTIVITA' AMMISSIBILI ALLA TASSONOMIA																			
A.1 Attività ecosostenibili (allineate alla tassonomia)																			
N/A			0,00%																
CapEx delle attività ecosostenibili (allineate alla tassonomia) (A.1)		-	0,00%														0,0%		
Di cui abilitanti		-	0,00%														0,0%		
Di cui di transizione		-	0,00%														0,0%		
A.2 Attività ammissibili alla tassonomia ma non ecosostenibili (attività non allineate alla tassonomia)																			
				AM;N/AM	AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM										
Costruzione di nuovi edifici	**CCM 7.1**; CCA 7.2; CE 3.1	383,76	0,30%	AM	AM	N/AM	N/AM	AM	N/AM								8%		
Ristrutturazione di edifici esistenti	**CCM 7.2**; CCA 7.2; CE 3.2	3.739,94	2,90%	AM	AM	N/AM	N/AM	AM	N/AM								5%		
Installazione, manutenzione e riparazione di dispositivi per l'efficienza energetica	**CCM 7.3**; CCA 7.3	63,00	0,05%	AM	AM	N/AM	N/AM	N/AM	N/AM								0%		
Installazione, manutenzione e riparazione di stazioni di ricarica per veicoli elettrici negli edifici (e parcheggi annessi agli edifici)	**CCM 7.4**; CCA 7.4	-	-														0,04%		
CapEx delle attività ammissibili alla tassonomia ma non ecosostenibili (attività non allineate alla tassonomia) (A.2)		4.186,71	3,25%																
A. CapEx delle attività ammissibili alla tassonomia (A.1+A.2)		**4.186,71**	**3,25%**	3,25%	0%	0%	0%	0%	0%								14%		
B. ATTIVITÀ NON AMMISSIBILI ALLA TASSONOMIA																			
CapEx delle attività non ammissibili alla tassonomia		**124.652,29**	**96,75%**																
TOTALE		**128.839,00**	**100,00%**																

TABLE 3 - OPEX

Share of OpEx from products or services associated with taxonomy aligned activities

Esercizio finanziario 2023				Criteri per il contributo sostanziale						Criteri per "non arrecare un danno significativo"									
Attività economiche	Codici	OpEx assoluto	Quota di OpEx, anno 2023	Mitigazione dei cambiamenti climatici	Adattamento ai cambiamenti climatici	Acque e risorse marine	Inquinamento	Economia circolare	Biodiversità ed ecosistemi	Mitigazione dei cambiamenti climatici	Adattamento ai cambiamenti climatici	Acque e risorse marine	Inquinamento	Economia circolare	Biodiversità ed ecosistemi	Garanzie minime di salvaguardia	Quota di OpEx allineata (A.1.) o ammissibile (A.2.) alla tassonomia, anno N-1	Categoria (attività abilitante)	Categoria (attività di transizione)
		EUR/000	%	Sì; No; N/AM	Sì; No; N/AM	Sì; No; N/AM	Sì; No; N/AM	Sì; No; N/AM	Sì; No; N/AM	Sì/No	Sì/No	Sì/No	Sì/No	Sì/No	Sì/No	Sì/No	%	A	T
A. ATTIVITA' AMMISSIBILI ALLA TASSONOMIA																			
A.1 Attività ecosostenibili (allineate alla tassonomia)																			
N/A			0,00%														0,00%		
OpEx delle attività ecosostenibili (allineate alla tassonomia) (A.1)		-	0,00%														0,00%		
Di cui abilitanti		-	0,00%														0,00%		
Di cui di transizione		-	0,00%														0,00%		
A.2 Attività ammissibili alla tassonomia ma non ecosostenibili (attività non allineate alla tassonomia)																			
				AM;N/AM	AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM										
Installazione, manutenzione e riparazione di dispositivi per l'efficienza energetica	**CCM 7.3**; CCA 7.3	33,00	0,04%	AM	AM	N/AM	N/AM	N/AM	N/AM										
Ristrutturazione di edifici esistenti	**CCM 7.2**; CCA 7.2; CE 3.2	120,23	0,16%	AM	AM	N/AM	N/AM	AM	N/AM								0,00%		
OpEx delle attività ammissibili alla tassonomia ma non ecosostenibili (attività non allineate alla tassonomia) (A.2)		153,23	0,16%																
A. OpEx delle attività ammissibili alla tassonomia (A.1+A.2)		153,23	0,20%	0,20%	0%	0%	0%	0%	0%								0,00%		
B. ATTIVITÀ NON AMMISSIBILI ALLA TASSONOMIA																			
OpEx delle attività non ammissibili alla tassonomia		76.710,77	99,80%																
TOTALE		76.864,00	100,00%																

15. Independent Auditors' Report on the Consolidated Non-Financial Statement

Independent auditor's report on the consolidated non-financial statement

pursuant to article 3, paragraph 10, of Legislative Decree 254/2016 and article 5 of CONSOB regulation n. 20267 of January 2018

To the Board of Directors of DiaSorin SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5, paragraph 1 g), of CONSOB Regulation No. 20267/2018, we have undertaken a limited assurance engagement on the consolidated non-financial statement of DiaSorin SpA and its subsidiaries (hereinafter the "Group") for the year ended 31 December 2023 prepared in accordance with article 4 of the Decree, presented in the specific section of the report on operations and approved by the Board of Directors on 15 March 2024 (the "NFS").

Our review does not extend to the information set out in the section titled "Taxonomy" and in the section "Annex (to Taxonomy)" of the Group's NFS, required by article 8 of Regulation (EU) 2020/852.

Responsibilities of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with the Global Reporting Initiative Sustainability Reporting Standards defined by the GRI - Global Reporting Initiative (GRI Standards), with reference to a selection of GRI Standards identified by them as the reporting standard.

The Directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary for an understanding of the Group's activities, development, performance and related impacts.

Finally, the Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for identifying and managing the risks generated and/or faced by the latter.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

www.pwc.com/it

pwc

Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. In the period this engagement refers to our firm applied International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintained a comprehensive system of quality control including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities

Our responsibility is to express a limited assurance conclusion, based on the procedures we have performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our engagement in accordance with *International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the NFS is free from material misstatement. Therefore, the procedures performed were less in extent than for a reasonable assurance engagement conducted in accordance with ISAE 3000 Revised and, consequently, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and included inquiries, mainly of personnel of the Company responsible for the preparation of the information presented in the NFS, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. Analysis of the relevant matters reported in the NFS in relation to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;

2. Analysis and assessment of the criteria used to identify the consolidation perimeter, in order to assess their compliance with the Decree;

3. Understanding of the following matters:

    - Business and organisational model of the Group with reference to the management of the matters specified in article 3 of the Decree;

pwc

- Policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
- Key risks generated and/or faced by the Group with reference to the matters specified in article 3 of the Decree.

With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under item 4 a) below.

4. Understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

In detail, we held meetings and interviews with the management of DiaSorin SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at a group level,

  a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidences,

  b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information;

- for the following companies, DiaSorin Italia SpA, DiaSorin Poland sp. z o.o e Luminex Molecular Diagnostics Inc. which we selected on the basis of their activities, their contribution to the key performance indicators at a consolidated level and their location, we carried out interviews with local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the NFS of DiaSorin Group for the year ended 31 December 2023 is not prepared, in all significant respects, in accordance with articles 3 and 4 of the Decree and the GRI Standards, with reference to a selection of GRI Standards identified by them as the reporting standard.

Our conclusion above does not extend to the information set out in the section titled "Taxonomy" and in the section "Annex (to Taxonomy)" of the Group's NFS, required by article 8 of Regulation (EU) 2020/852.

Milan, 2 April 2024

PricewaterhouseCoopers SpA

Signed by

Salvatore Savino
(Partner)

Signed by

Paolo Bersani
(Authorised signatory)

This report has been translated from the Italian original solely for the convenience of international readers.

Consolidated Financial Statements of the DiaSorin Group at December 31, 2023

1. CONSOLIDATED INCOME STATEMENT PURSUANT TO CONSOB RESOLUTION NO. 15519 OF 27 JULY 2006

(in € thousands)	**Notes**	**2023**	***amount with related parties***	**2022**	***amount with related parties***
Revenues	(1)	1,148,210		1,361,138	
Cost of sales	(2)	(407,024)		(460,525)	
Gross profit		**741,186**		**900,613**	
Sales and marketing expenses	(3)	(285,887)		(292,050)	
Research and development costs	(4)	(90,947)		(96,904)	
General and administrative expenses	(5)	(128,524)	(8,160)	(122,697)	(8,010)
Other operating income (expenses)	(6)	(19,567)		(37,702)	
Non-recurring amount		*(21,585)*		*(24,062)*	
Operating result (EBIT)		**216,261**		**351,260**	
Financial income	(7)	15,368		9,645	
Financial expense	(8)	(30,413)		(34,965)	
Result before taxes		**201,216**		**325,940**	
Income taxes	(9)	(42,708)		(85,830)	
Net result		**158,508**		**240,110**	
Including:					
- Parent Company shareholders' interests in net result		159,849		240,907	
- Minority interests in net result		(1,341)		(797)	
Basic earnings per share	(10)	**2.87**		**4.16**	
Diluted earnings per share	(10)	**2.87**		**4.15**	

2. CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(in € thousands)	**Notes**	**12/31/2023**	**12/31/2022**
Net result (A)		**158,508**	**240,110**
Other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the period:			
Gains/(losses) on remeasurement of defined benefit plans	(23)	(2,626)	6,835
Total other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the period (B1)		**(2,626)**	**6,835**
Other comprehensive gains/(losses) that will be reclassified subsequently to gain/loss of the period:			
Gains/(losses) from translation of financial statements of foreign branches	(21)	(53,491)	74,792
of which relating to net assets held for sale	(20)	-	*2,826*
Gains/(losses) on cash flow hedges	(21)	(17,549)	37,346
Total other comprehensive gains/(losses) that will be reclassified subsequently to gain/(loss) of the period (B2)		**(71,040)**	**112,138**
TOTAL OTHER COMPREHENSIVE GAINS/(LOSSES), NET OF TAX EFFECT (B1)+(B2)=(B)		**(73,665)**	**118,973**
TOTAL COMPREHENSIVE GAINS/(LOSSES) (A)+(B)		**84,843**	**359,083**
Including:			
- amount attributable to Parent Company's shareholders		86,247	359,880
- amount attributable to minority interests		(1,404)	(797)

3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION, PURSUANT TO CONSOB RESOLUTION NO.15519 OF 27 JULY 2006

(in € thousands)	**notes**	**12/31/2023**	***amount with related parties***	**12/31/2022**	***amount with related parties***
ASSETS					
Non-current assets					
Property, plant and equipment	(11)	256,286		268,448	
Goodwill	(12)	799,365		826,352	
Intangible assets	(12)	1,125,605		1,168,711	
Equity investments	(13)	26		26	
Deferred-tax assets	(14)	31,813		34,459	
Other non-current assets	(15)	2,760		3,722	
Other non-current financial assets	(22)	12,891		32,156	
Total non-current assets		*2,228,747*		*2,333,874*	
Current assets					
Inventories	(16)	315,500		306,503	
Trade receivables	(17)	198,560		220,035	
Other current assets	(18)	65,243		89,184	
Other current financial assets	(22)	123,075		171,442	
Cash and cash equivalents	(19)	280,314		241,776	
Total current assets		*982,692*		*1,028,940*	
Assets held for sale	(20)	-		45,267	
TOTAL ASSETS		**3,211,439**		**3,408,082**	

Consolidated statement of financial position *(continued)*

(in € thousands)	notes	12/31/2023	*amount with related parties*	12/31/2022	*amount with related parties*
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity					
Share capital	(21)	55,948		55,948	
Treasury shares	(21)	(296,797)		(281,277)	
Additional paid-in capital	(21)	18,155		18,155	
Statutory reserve	(21)	11,190		11,190	
Other reserves and retained earnings	(21)	1,590,266		1,474,066	
Net profit for the year		159,849		240,907	
Total shareholders' equity of the Group		*1,538,611*		*1,518,989*	
Minority interest in other reserves and retained earnings		761		1,558	
Minority interest in net result		(1,404)		(797)	
Minority interest in shareholders' equity		*(643)*		*761*	
Total Consolidated Shareholders' Equity		**1,537,968**		**1,519,750**	
Non-current liabilities					
Non-current financial liabilities	(22)	1,083,005		1,231,965	
Provisions for employee benefits	(23)	32,314	-	32,481	4,333
Deferred-tax liabilities	(14)	199,596		229,310	
Provisions for risks and charges	(24)	27,700		30,272	
Other non-current liabilities	(25)	10,740		17,287	
Total non-current liabilities		*1,353,354*		*1,541,315*	
Current liabilities					
Trade payables	(26)	100,706		104,204	
Other current liabilities	(27)	100,364	82	103,304	74
Current tax liabilities	(28)	9,399		13,786	
Current financial liabilities	(22)	109,649		120,020	
Total current liabilities		*320,117*		*341,314*	
Liabilities for assets held for sale	(20)	-		5,702	
Total liabilities		**1,673,471**		**1,888,332**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,211,439**		**3,408,082**	

4. CONSOLIDATED STATEMENT OF CASH FLOWS PURSUANT TO CONSOB RESOLUTION NO. 15519 OF 27 JULY 2006

(in € thousands)	**Notes**	**12/31/2023**	***amount with related parties***	**12/31/2022**	***amount with related parties***
Cash flow for the year					
Net profit for the year		158,508		240,110	
Adjustments for:					
- Income taxes	(9)	42,708		85,830	
- Depreciation and amortization	(11) (12)	136,883		153,267	
- Financial expense (income)	(7) (8)	15,045		25,320	
- Additions to/ (Utilizations of) provisions for risks	(24)	(1,619)		4,863	
- (Gains)/Losses on sales of non-current assets	(6)	504		-	
- Additions to/ (Reversals of) provisions for employee severance indemnities and other benefits	(23)	89		2,403	
- Stock options reserve	(21)	10,036		9,539	
- Currency translation reserve on operating activities	(21)	22,192		5,682	
- Change in other non-current assets/liabilities	(15) (25)	(28,381)	(4,333)	44	4,333
Cash flow from operating activities before changes in working capital		**355,966**		**527,058**	
(Increase)/Decrease in trade receivables	(17)	18,473		3,984	
(Increase)/Decrease in inventories	(16)	(4,772)		(26,225)	
Increase/(Decrease) in trade payables	(26)	(4,867)		19,431	
(Increase)/Decrease in other current items	(18) (27)	(10,158)	8	(24,603)	
Cash from operating activities		**354,641**		**499,646**	
Income taxes paid	(28)	(37,094)		(91,562)	
(Paid)/ collected interests	(22)	(5,885)		(18,742)	
Net cash from operating activities		**311,663**		**389,341**	
Investments in intangible assets	(12)	(67,774)		(60,491)	
Investments in tangible assets	(11)	(45,466)		(53,195)	
Divestments in intangible and tangible assets	(11) (12)	5,104		21,304	
(Opening)/ Repayment of term deposits	(22)	40,599		(139,570)	
Cash flow from sale of the Flow Cytometry business	(20)	38,436		-	
Cash used in regular investing activities		**(29,102)**		**(231,952)**	
(Repayment of)/ Proceeds from loans and other financial liabilities	(22)	(158,460)		(116,142)	
(Purchase)/Sale of treasury shares	(21)	(18,534)		(159,849)	
Dividends paid	(21)	(58,967)		(57,052)	
Cash used in financing activities		**(235,961)**		**(333,043)**	
Foreign exchange translation effect		(8,061)		14,410	
Net change in cash		**38,538**		**(161,244)**	
Cash and cash equivalents - Opening balance		**241,776**		**403,020**	
Cash and cash equivalents - Closing balance		**280,314**		**241,776**	

5. STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in € thousands)	**Share capital**	**Treasury shares**	**Additional paid-in capital**	**Statutory reserve**	**Currency translation reserve**	**Stock option reserve**	**Reserve for treasury shares**	**Other reserves and retained earnings**	**Net profit (loss) for the year**	**Group interest in shareholders' equity**	**Minority interest in shareholders' equity**	**Total interest in shareholders' equity**
Shareholder's equity at 12/31/2021	**55,948**	**(120,022)**	**18,155**	**11,190**	**46,208**	**17,312**	**120,022**	**906,598**	**310,968**	**1,366,377**	**1,562**	**1,367,939**
Appropriation of previous year's profit	-	-	-	-	-	-	-	310,968	(310,968)	**-**	-	**-**
Dividends paid	-	-	-	-	-	-	-	(57,316)	-	**(57,316)**	-	**(57,316)**
Stock options and other changes	-	-	-	-	-	8,133	-	1,406	-	**9,539**	-	**9,539**
Sale /(purchase) of treasury shares	-	(161,255)	-	-	-	-	161,255	(159,849)	-	**(159,849)**	-	**(159,849)**
Put/Call option rights in subsidiaries	-	-	-	-	-	-	-	354	-	**354**	-	**354**
Other changes	-	-	-	-	-	-	-	4	-	**4**	(4)	**4**
Profit for the period	-	-	-	-	-	-	-	-	*240,907*	***240,907***	*(797)*	***240,110***
Gains/(losses) from remeasurement of defined benefits plans, net of tax effect	-	-	-	-	-	-	-	6,835	-	**6,835**	-	**6,835**
Translation adjustments	-	-	-	-	74,792	-	-	-	-	**74,792**	-	**74,792**
Cash flow hedge reserve	-	-	-	-	-	-	-	37,346	-	**37,346**	-	**37,346**
Other changes in the comprehensive income statement	-	-	-	-	*74,792*	-	-	*44,181*	-	***118,973***	-	***118,973***
Comprehensive profit for the period	-	-	-	-	74,792	-	-	44,181	240,907	**359,880**	(797)	**359,083**
Shareholder's equity at 12/31/2022	**55,948**	**(281,277)**	**18,155**	**11,190**	**121,000**	**25,444**	**281,277**	**1,046,346**	**240,907**	**1,518,989**	**761**	**1,519,750**

Shareholder's equity at 12/31/2022	**55,948**	**(281,277)**	**18,155**	**11,190**	**121,000**	**25,444**	**281,277**	**1,046,346**	**240,907**	**1,518,989**	**761**	**1,519,750**
Appropriation of previous year's profit	-	-	-	-	-	-	-	240,907	(240,907)	**-**	-	**-**
Dividends paid	-	-	-	-	-	-	-	(58,870)	-	**(58,870)**	-	**(58,870)**
Stock options and other changes	-	-	-	-	-	6,796	-	3,240	-	**10,036**	-	**10,036**
Sale /(purchase) of treasury shares	-	(15,520)	-	-	-	-	15,520	(18,534)		**(18,534)**	-	**(18,534)**
Put/Call option rights in subsidiaries	-	-	-	-	-	-	-	742	-	**742**		**742**
Profit for the period	-	-	-	-	-	-	-	-	*159,849*	**159,849**	*(1,341)*	***158,508***
Gains/(losses) from remeasurement of defined benefits plans, net of tax effect	-	-	-	-	-	-	-	(2,626)	-	**(2,626)**	-	**(2,626)**
Translation adjustments	-	-	-	-	(53,428)	-	-	-	-	**(53,428)**	(63)	**(53,491)**
Cash flow hedge reserve	-	-	-	-	-	-	-	(17,549)	-	**(17,549)**	-	**(17,549)**
Other changes in the comprehensive income statement	-	-	-	-	*(53,428)*	-	-	*(20,175)*	-	**(73,602)**	*(63)*	***(73,665)***
Comprehensive profit for the period	-	-	-	-	(53,428)	-	-	(20,175)	159,849	86,247	(1,404)	84,843
Shareholder's equity at 12/31/2023	**55,948**	**(296,797)**	**18,155**	**11,190**	**67,572**	**32,240**	**296,797**	**1,193,657**	**159,849**	**1,538,611**	**(643)**	**1,537,968**

6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2023

General information and scope of consolidation

General information

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

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

The Board of Directors authorized the publication of these Consolidated Financial Statements on March 15, 2024.

Principles for the preparation of the consolidated financial statements

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs"), the "International Accounting Standards" (IAS), the interpretations of the "International Reporting Interpretations Committee" (IFRIC), previously known as the "Standing Interpretations Committee" (SIC) which, at the closing date of the consolidated financial statements, have been endorsed by the European Union according to the procedure laid down in Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002.

The consolidated financial statements have been prepared on the basis of business continuity, as the Directors have verified that there are no financial, managerial or other indicators that may show critical issues concerning the Group capacity to fulfil its commitments in the foreseeable future and, more specifically, in the next 12 months. A description of how the Group manages financial risks is provided in the notes to the Management of financial risks.

These consolidated financial statements are denominated in Euros, which is the currency of the main economic environment in which the Group operates. All amounts are stated in thousands of euros, unless otherwise stated.

Presentation format of financial statements

The following provides the presentation formats and classification criteria adopted by the Group in respect of the accounting options set forth in IAS 1 Presentation of financial statements:

- The Consolidated Statement of Financial Position has been prepared by classifying assets and liabilities according to the "current/non-current" criteria;
- The Comprehensive Income Statement has been prepared by classifying expenses by function in addition to profit (loss) of the period, other changes in equity other than transactions carried out with Company's shareholders. This classification of the income statement, or by destination, is representative of the format used for internal reporting and management purposes and is in line with international practice in diagnostic sector;
- the Consolidated Statement of Cash flows is presented by stating cash flows provided by operating activities according to the "indirect method";

- pursuant to Consob Resolution no. 15519 of 28 July 2006, within the income statement income and expenses, where present, from non-recurring transactions are identified separately; similarly, the financial statements show separately any balances related to receivable/payable positions and transactions with related parties, which are further described in the section of these Notes to the financial statements entitled “Transactions with related parties”.

The Consolidated Financial Statements have been prepared based on the conventional historical cost criterion, except for the measurement of financial assets and liabilities in those cases in which the use of the fair value criterion is mandatory.

Scope of consolidation

The consolidated financial statements include the financial statements of Diasorin S.p.A., the Group’s Parent Company, and its subsidiaries at December 31, 2023. The financial statements of the consolidated companies are those prepared by their Boards of Directors for approval by the shareholders.

Subsidiaries are companies over which Diasorin S.p.A, directly or indirectly, has the right to exercise control, as defined in IFRS 10 “Consolidated Financial Statements.” In order to assess the existence of control, the following three requirements are to be satisfied:

- power over the company;
- exposure to the risks and rights deriving from the variable returns entailed by its involvement;
- ability to influence the company so as to influence the investor’s (positive or negative) results.

Subsidiaries are consolidated line by line from the date the Group obtains control until the moment when control ceases to exist.

The Group has neither subsidiaries with significant minority interest nor unconsolidated structured entities and it is not subject to significant restrictions concerning interest in subsidiaries.

Compared to December 31 2022, no changes occurred in the scope of consolidation.

Investments in subsidiaries

A list of direct and indirect investments in subsidiaries at December 31, 2023 and December 31, 2022 is provided below:

Company	Country	At December 31, 2023		At December 31, 2022	
		% held by the Group	% minority interest	% held by the Group	% minority interest
Direct investments					
Diasorin Italia S.p.a.	Italy	100%	-	100%	-
DiaSorin S.A/N.V.	Belgium	100%	-	100%	-
DiaSorin Ltda	Brazil	100%	-	100%	-
DiaSorin S.A.	France	100%	-	100%	-
DiaSorin Iberia S.A.	Spain	100%	-	100%	-
DiaSorin Ltd	United Kingdom	100%	-	100%	-
DiaSorin Inc.	United States	100%	-	100%	-
DiaSorin Mexico S.A de C.V.	Mexico	100%	-	100%	-
DiaSorin Deutschland GmbH	Germany	100%	-	100%	-
DiaSorin AB	Sweden	100%	-	100%	-
DiaSorin Ltd	Israel	100%	-	100%	-

DiaSorin Austria GmbH	Austria	100%	-	100%	-
DiaSorin Czech s.r.o.	Czech Republic	100%	-	100%	-
DiaSorin South Africa (PTY) Ltd	South Africa	100%	-	100%	-
DiaSorin Australia (Pty) Ltd	Australia	100%	-	100%	-
DiaSorin Ltd	China	76%	24%	76%	24%
DiaSorin Switzerland AG	Switzerland	100%	-	100%	-
DiaSorin Poland sp. z o.o.	Poland	100%	-	100%	-
DiaSorin Ireland Limited	Ireland	0%	-	100%	-
DiaSorin I.N. Limited	Ireland	100%	-	100%	-
DiaSorin APAC Pte Ltd	Singapore	100%	-	100%	-
DiaSorin Middle East FZ-LLC	United Arab Emirates	100%	-	100%	-
Indirect investment					
DiaSorin Canada Inc	Canada	100%	-	100%	-
DiaSorin Healthcare India Private Limited	India	100%	-	100%	-
DiaSorin Molecular LLC	United States	100%	-	100%	-
Luminex Corporation	United States	100%	-	100%	-
Luminex International, Inc.	United States	0%	-	100%	-
Nanosphere LLC	United States	100%	-	100%	-
ChandlerTec LLC	United States	100%	-	100%	-
Iris Biotech LLC	United States	100%	-	100%	-
Amins LLC	United States	100%	-	100%	-
Labpac Pty Ltd	Australia	0%	-	100%	-
Luminex Molecular Diagnostics Inc.	Canada	100%	-	100%	-
Luminex B.V.	Netherlands	0%	-	100%	-
Luminex 2 B.V.	Netherlands	100%	-	100%	-
Luminex 3 B.V.	Netherlands	0%	-	100%	-
Luminex Japan Corp. Lts.	Japan	100%	-	100%	-
Luminex Trading (Shanghai) Co. Ltd.	China	100%	-	100%	-
Luminex Hong Kong Ltd.	Hong Kong	100%	-	100%	-
Luminex London Ltd.	United Kingdom	0%	-	100%	-

A complete list of the investee companies containing information about head office location and the percentage interest held by the Group is provided in Annex I.

The main changes occurred in investments in subsidiaries are provided below:

- in February, the liquidation of subsidiary Labpac Pty Ltd was completed;
- in March, the liquidation of subsidiary Luminex London Ltd was completed;
- in June, the liquidation of subsidiary Diasorin Ireland Limited was completed;
- in July, the merger by incorporation of Luminex B.V. into Luminex 3 B.V. was completed;
- in September the merger by incorporation of Luminex 3 B.V. into Luminex 2 B.V. was finalized;
- in October the merger by incorporation of Luminex International Inc. into Luminex Corporation was finalized.

All the above changes have been classified as under common control transactions, generating no accounting impacts on these consolidated financial statements.

Investments in joint ventures

At December 31, 2023, there are no investments classified as joint ventures under IFRS 11 and IAS 28.

PRINCIPLES OF CONSOLIDATION, VALUATION CRITERIA AND ACCOUNTING STANDARDS

Principles of consolidation

The financial statements of subsidiaries and branches are consolidated by the line-by-line consolidation method.

Under this method, assets, liabilities, expenses and revenues are consolidated using their full amount, irrespective of the percentage interest held, and the minority interest in shareholders' equity and net profit is shown in separate line items of the consolidated financial statements.

When preparing the consolidated financial statements, intra-Group balances and transactions, including unrealized intra-Group gains and losses, are eliminated.

All assets and liabilities of foreign companies included in the scope of consolidation that are denominated in foreign currencies are translated into euros at the exchange rates in force on the date of the financial statements. Revenues and expenses are translated into euros at the average exchange rate for the year. Currency translation differences generated by the use of this method are posted to shareholders' equity in the "translation reserve" item until the corresponding equity investment is sold.

Transactions in foreign currencies are recognized at the exchange rate in force on the transaction date. Cash assets and liabilities denominated in foreign currencies that are outstanding on the date of the financial statements are converted at the exchange rate in force on that date.

Business combinations

Business combinations by virtue of which control is acquired over an entity are recognized, as required by the provisions of IFRS 3 Business Combinations, in accordance with the acquisition method. The acquisition cost is represented by the fair value on the acquisition date of the assets being sold, the assumed liabilities and any issued equity instruments. The identifiable acquired assets, assumed liabilities and contingent liabilities are recognized at their fair value on the date of acquisition, except for deferred tax assets and liabilities, assets and liabilities for employee benefits and assets held for sale, which are recognized in accordance with the respective reference accounting principles. The difference between the acquisition cost and the fair value of the acquired assets and liabilities, if positive, is recognized among intangible assets as goodwill or, if negative, after checking again the correct measurement of the fair values of the acquired assets and liabilities and the acquisition costs, is recognized directly in profit or loss, as a gain. Incidental transaction costs are recognized in profit or loss when incurred.

Under the definition of IFRS 3, acquisition of business occurs when such business includes an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of "output" is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

Where total control is not acquired, the share of shareholders' equity attributable to minority interests is determined based on the share of the current values attributed to assets and liabilities at the date of acquisition of control, net of any goodwill (the so-called partial goodwill method). Alternatively, the full amount of the goodwill generated by the acquisition is recognized, therefore also taking into account the portion attributable to minority interests (the so-called full goodwill method). In this case, minority interests are expressed at their total fair value, including the attributable share of goodwill. The choice of how to determine goodwill (partial goodwill method or full goodwill method) is made based on each individual business combination transaction.

The cost of acquisition includes contingent consideration, recognized at its acquisition-date fair value. Subsequent changes in fair value are recognized in income statement or other comprehensive income statement if the contingent consideration is a financial asset or liability. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for directly in equity.

If, in a business combination, control is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognizes the resulting gain or loss in the income statement.

Acquisitions of non-controlling interests in entities which are already controlled by the acquirer or disposals of non-controlling interests that do not involve a loss of control are treated as equity transactions; therefore, any difference between the cost of acquisition/disposal and the related share of net assets acquired/sold is accounted for as an adjustment to the Group's equity.

Call/put options exchanged between the Parent Company and minority shareholders are recognized considering if risks and benefits are transferred with the contract. Specifically, the Group recognizes a financial liability on the date the contract is executed against the Group's equity when the minority shareholders retain the transaction's risks and benefits, or against the minority shareholder's equity when the transaction's risks and benefits are transferred to the majority shareholder. Any subsequent changes in the value of the liability are recognized in equity.

Valuation criteria and accounting principles

Property, plant and equipment

The item includes:

a) Land;
b) Industrial buildings;
c) General purpose and specialized facilities;
d) Machinery;
e) Manufacturing and distribution equipment;
f) Right-of-use assets (in accordance with IFRS 16 accounting standard);
g) other assets.

Items of property, plant and equipment are valued at cost and recognized at their acquisition or production cost, plus directly attributable incidental expenses. Their cost is reduced by depreciation (with the exception of land, which is not depreciated) and write-downs for impairment.

Depreciation is computed on a straight-line basis at rates that reflect an asset's decrease in value and wear and tear. Depreciation is computed from the moment an asset is available for use.

Significant components of property, plant and equipment that have different useful lives are recognized separately and each one is depreciated in accordance with its own useful life.

The useful lives and residual values of these assets are reviewed each year upon the closing of the annual financial statements.

In accordance with the IFRS 16 accounting principles, the Group as lessee recognizes the so-called right-of-use asset at the initial leasing date (i.e., the date on which the underlying asset is available for use). Right-of use-asset is measured at cost, net of any accumulated depreciation and impairments and adjusted for any remeasurement of the lease liability. The cost of the right-of-use asset includes the amount of the lease liabilities recognized, the initial direct costs incurred and the payment of leases at the commencement date or before, net of any incentives received. The right-of-use asset is depreciated on a straight-line basis from the lease commencement date to the end of the useful life of the right-of use asset or, if earlier, to the lease's term.

If the lease transfers ownership of the asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise the option to purchase the asset, the Group shall depreciate the right-of-use asset from the lease commencement date to the end of the useful life of the underlying asset.

The depreciation rates used are as follows:

Asset type	Depreciations rates
Industrial buildings	5.5%
General purpose and specialized facilities;	10-12.5%
Machinery	12%
Manufacturing and distribution equipment	40%
Equipment held by customers	14-25%
Reconditioned equipment held by customers	20-33%
Right-of-use assets	5.5-33%

Costs incurred for regular maintenance and repairs are charged directly to income statement the year they are incurred. Costs incurred to recondition equipment are capitalized only to the extent that the reconditioned equipment meets the requirements to be recognized separately as an asset or an asset component in accordance with the "component approach". Reconditioning costs and any non-depreciated residual values are depreciated over the asset's residual life, which is estimated at three years.

Leasehold improvements that meet the requirements of IAS 16 "Property, Plant and Equipment" are classified as property, plant and equipment and depreciated over the asset's residual life or the remaining length of the lease, whichever is shorter.

If, irrespective of the amount of depreciation already taken, the recoverable value of an asset, computed in accordance with the method provided in IAS 36, is lower than its carrying value, the latter is written down to the assets' recoverable value and the resulting impairment loss is recognized. If in subsequent years the reasons for the original write-down cease to apply, the asset is restored to its original value (net of any depreciation that would have been taken had the asset not been written down) or its recoverable value, whichever is lower.

Gains and losses on the disposal or retirement of assets, which are computed as the difference between the sales proceeds and the asset's net carrying value, are recognized in the income statement for the year.

In accordance with IFRS 16 accounting standard, if changes to lease contracts result in a change in the accounting for the existing lease, the Group recognizes a remeasurement of the carrying amount of the right-of-use asset and a change, at the same time, in the lease liability; any gains or losses resulting from the remeasurement are recognized in the income statement of the period.

Intangible assets

Intangible assets are recognized as assets in the statement of financial position only if they are identifiable, controllable, and it is likely that they will generate future economic benefits and their cost can be measured reliably.

Intangible assets with a finite useful life are valued at their acquisition or production cost or at their appraised value, net of accumulated amortization and impairment losses. Amortization is computed on the basis of an asset's estimated useful life and begins when an asset is available for use. Useful lives are reviewed annually and the impact of any changes is reflected prospectively.

Intangible assets with an indefinite useful life are not amortized. They are tested for impairment annually or more frequently, if necessary, even when there are no indications that the value of the assets has been impaired. These tests are carried out for each cash generating unit to which intangible assets have been allocated.

Intangible assets with an indefinite useful life

Goodwill

Goodwill arising from business combinations represents the positive difference between the acquisition cost and the fair value of the Group's interest of assets, liabilities and contingent liabilities identifiable at the acquisition date. Goodwill is recognized as an intangible asset with an indefinite useful life and is not amortized. However, its carrying amount is tested once a year (or more often if necessary) for impairment, and to test the indefinite life assumption. Impairment losses are immediately recognized in profit or loss and may not be reversed subsequently. After initial recognition, goodwill is valued at cost, net of any accumulated impairment losses. When a subsidiary is sold, the net carrying amount of the goodwill allocated to that subsidiary is included in the computation of the gain or loss generated by the sale.

For impairment test purposes, goodwill is allocated to the cash generating units (CGUs).

Assets with indefinite useful life

Intangible asset is considered to have an indefinite useful life when, on the basis of relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

For impairment test purposes, assets with indefinite useful life are tested for impairment as part of the cash generating units (CGUs) to which they belong.

Intangible assets with a finite useful life

Development costs

Costs incurred internally to develop new products or systems constitute an intangible asset and may be recognized as such only if all the following requirements can be satisfied:

- it is a technically feasible to complete an asset so that it will be available for use or sale and the entity intends to do so;
- the Group is able to sell, exchange or distribute the future economic benefits attributable to an asset without having to relinquish future economic benefits generated by other assets used by the same cash generating unit;
- there is evidence that the costs incurred will generate probable future economic benefits. Such evidence can consist of the existence of a market for the output of the asset or of the usefulness of the asset, if used internally;
- adequate technical and financial resources to complete the development and sale of the asset or use internally its resulting products;

- the costs attributable to the asset during its development can be reliably valued.

Capitalized development costs include only the expenditures that can be attributed directly to the development process.

In the first year, amortization is computed based on the length of time during which the asset is effectively in use. The useful life of these costs is estimated on the maximum length of time during which management believes that the asset will generate economic benefits.

Research and development costs that do not satisfy the requirements listed above are charged to income immediately and may not be capitalized in subsequent years.

Other intangible assets

Other intangible assets are recognized in the statement of financial position only if it is probable that their use will generate future economic benefits and if their cost can be measured reliably. If these conditions are met, these intangible assets are recognized at their purchase cost, which is their purchase price plus incidental expenses.

The gross carrying amount of intangible assets with a finite useful life is amortized on a straight-line basis based on the assets' estimated useful lives. Amortization begins when an asset is put into use. In the first year, amortization is computed based on the length of time during which the asset is effectively in use. The Group uses the following amortization rates:

Asset type	Amortization rates
Concessions, licenses and similar rights	6.67% -10% or length of contract
Customer relationship	5% - 6.67% -10%
Trademarks	5% - 20%
Industrial patent and intellectual property rights	6.67% - 10% or legal duration

The duration of the amortization period, which is based on internal analyses and valuations, development plans and the return flows from their use, is deemed to be consistent with expectations concerning the duration and development of the Group's activities and products and with the likelihood that the positions achieved in the diagnostics market will be retained.

Impairment of assets

The Group tests the net carrying value of its property, plant and equipment and its intangible assets once a year to determine whether the value of these assets has been impaired. If evidence of impairment is detected, the recoverable value of the affected assets is determined. Intangible assets with an indefinite useful life, intangibles that are not yet ready for use and goodwill generated through a business combination are tested for impairment every year, even when there is no indication that the value of the assets has been impaired or, more often, if there is an indication that their value may have been impaired.

An asset's recoverable amount is the higher of its fair value, less cost to sell, and its value in use, computed as the present value of the future cash flows expected to be derived from an asset or cash-generating unit. Expected future cash flows reflect assumptions that are consistent with the criteria applied to determine the discount rate. Cash flow projections are based on the most recent Company's plans and on reasonable and documented assumptions about the Group's future results and macroeconomic conditions.

The discount rate used must reflect the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

When the recoverable amount of an individual asset cannot be estimated, the Group estimates the recoverable amount of the CGU to which the asset belongs. Particularly, the CGUs identified by the DiaSorin Group coincide with the legal entities of the Group or with their homogeneous combination.

Whenever the recoverable amount of an asset or a CGU is lower than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the reduction is recognized as an impairment loss in the income statement. Subsequently, if an impairment loss for an asset other than goodwill ceases to exist or is reduced, the carrying amount of the asset (or CGU) is increased to the new estimated recoverable amount (but not more than the asset's net carrying amount had no impairment loss been recognized). This reversal is recognized immediately in earnings. Impairment losses recognized on goodwill or intangibles with indefinite useful life are in no way recoverable.

Inventories

Inventories, which consist mainly of raw materials, work-in-progress and finished products, are recognized as the lower of the purchase or production cost and net realizable value, determined in accordance with market conditions. Purchase costs include the price paid to suppliers plus the incidental expenses incurred to bring the purchased goods to the Company's warehouse door, net of discounts and allowances. Production costs include the costs directly attributable to individual goods or classes of goods, plus a reasonable allocation of the overall outlays incurred for the activities carried out to produce the goods in question (general manufacturing costs). As regards the distribution of general manufacturing costs, the allocation of product cost is based on the normal capacity of the production facilities.

Cost is determined by the FIFO method.

The carrying amount of the inventory, determined in the manner described above, is reduced by a provision that reflects the impact of obsolete and slow-moving inventory.

Receivables and payables

Trade and other receivables are valued at amortized cost, using the effective interest rate, less impairment losses, except receivables within a business model whose objective is achieved by either collection of contractual cash flows or sale (hold to collect and sell). These receivables are measured at fair value with changes recognized directly in the comprehensive income statement.

Impairment losses on receivables are recognized through the simplified approach required by IFRS 9 to measure loss allowance through lifetime expected credit loss. Specifically, the Group calculates expected credit loss using a provision matrix, which is estimated on the basis of historical credit loss experience for past due receivables and adjusted to reflect current conditions and estimates on relevant future economic conditions.

Trade payables and other payables are initially recognized at fair value, net of directly allocated accessory costs and are subsequently measured at amortized cost, applying the effective interest rate criteria.

Receivables and payables denominated in foreign currencies are translated at the exchange rates in force on the date of the financial statements and any resulting gains or losses are recognized in earnings.

Factoring of receivables

The DiaSorin Group engages in the factoring of its receivables.

When all risks and benefits relating to ownership and contractual rights are transferred to cash flows deriving thereof, receivables assigned through such transactions are removed from the statement of financial position. In such event, cumulative changes in fair value - previously recognized in the comprehensive income statement - are transferred to the income statement.

Conversely, if requirements for derecognition of assets are not met, receivables are recognized as such in the Group financial statements and a corresponding financial liability is recognized in the consolidated statement of financial position as “Financial payables”.

Cash and cash equivalents

They consist of cash and cash equivalents, short-term bank deposits, shares in liquidity funds and other money market securities readily converted into cash.

Assets and liabilities held for sale

Assets and liabilities held for sale, as defined by the IFRS 5 accounting standard, are classified as such when their carrying amounts will be recovered mainly from the sale rather than continuous use. These conditions will be considered to have been fulfilled when the sale or discontinuity of the group of assets being disposed of is considered to be highly probable and the assets and liabilities are immediately available for sale in the conditions they are in.

When the Group is committed to a disposal plan involving loss of control of an investee company, all the assets and liabilities of this investee company are classified as held for sale when the conditions described above are fulfilled even when, after disposal, the Group continues to hold a minority interest in the investee company.

Assets held for sale are measured at the lower of the carrying amount and the fair value, net costs for sale.

Shareholders’ equity

Equity instruments issued by the Group’s Parent Company are recognized for the amount of consideration received. Dividends distributed by the Group’s Parent Company are recognized as a liability when the distribution resolution is approved. The purchase cost of treasury shares and the proceeds from their sale are recognized directly in equity, with no impact on the income statement.

Treasury shares

When the Group’s Parent Company and its subsidiaries purchase Company shares, the consideration paid is deducted from the shareholders’ equity attributable to the Company’s shareholders, until the shares are retired or sold. No gain or loss is recognized in the income statement when treasury shares are bought, sold, issued or retired. When these shares are subsequently reissued, the consideration received is added to the shareholders’ equity attributable to the Company’s shareholders.

Employee benefits

Pension plans

The Group uses different types of defined-contribution and defined-benefit plans, in accordance with the local conditions and practices in the countries in which it operates.

Each year, the Group recognizes in earnings the portion of the premiums paid in connection with defined-contribution plans that accrue that year.

Defined-benefit pension plans, which include the severance benefits payable to employees pursuant to Article 2120 of the Italian Civil Code, are based on the length of the working lives of employees and the wages earned by employees over a predetermined period of service. The liability that represents the benefits owed to employees under defined-benefit plans is recognized at its actuarial value.

The recognition of defined-benefit plans requires the use of actuarial techniques to estimate the amount of the benefits accrued by employees in exchange for the work performed during the current year and in previous years. The resulting benefit must then be discounted to determine the present value of the Group's obligation. The determination of the present value of the Group's obligation is made by an independent actuary, using the projected unit credit method. This method treats each period of service provided by an employee to a company as an individual accrual unit. The actuarial liability must be quantified exclusively on the basis of the seniority achieved as of the date of valuation. Consequently, the total liability is prorated based on a ratio between the years of service accrued as of the valuation reference date and the total seniority that an employee is expected to have achieved when the benefit is paid. Moreover, this method requires taking into account future wage increases due for any reason (inflation, career moves, labor contract renewals, etc.) until the end of the employment relationship.

The cost of defined-benefit plans accrued during the year, which is reflected in the income statement as part of labor costs and financial expense, is equal to the sum of the average present value of the accrued benefits of current employees for service provided during the year and their annual vested interest in the present value of the Group's obligations at the beginning of the year, computed by discounting future outlays by the same rate as that used to estimate the Group's liability at the end of the previous year. The annual discount rate used for these computations was the same as the year-end market rate for zero-coupon bonds with a maturity equal to the average residual duration of the liability. Actuarial gains and losses reflecting changes in the actuarial assumptions or experience adjustments are credited or charged to equity in the statement of comprehensive income for the period in which they arise. If the amount is recorded on the balance sheet as an asset, it is limited to the present value of economic benefits available in the form of refunds or reductions in future contributions to the plan.

On January 1, 2007, the Italian Budget Law and the related implementation decrees introduced significant changes in the rules that govern the Provision for employee severance indemnities ("PESI") of companies whose registered office is located in Italy. These changes include the right of employees to decide the destination of future accrued PESI amounts. Specifically, employees can direct new PESI flows to selected pension investments or keep them with the employer company, which will then deposit its PESI contribution in a treasury account at the Italian social security administration (abbreviated as INPS in Italian). In light of these changes, the PESI is now viewed as a defined-benefit plan only insofar as the amounts vested before January 1, 2007 are concerned and as a defined-contribution plan after January 1, 2007.

Equity-based compensation plans

Group companies grant to Group Executives additional benefits through equity-based plans (stock options and stock grants). In accordance with IFRS 2 ("Share-based Payment,") stock options awarded to employees are measured at their fair value on the grant date, in accordance with models that take into account factors and data (option exercise price, duration of the option, current price of the underlying shares, expected share price volatility, expected dividends and interest rate for zero-risk investments over the life of the option) applicable on the grant date.

If the option becomes exercisable after a certain period and/or certain performance requirements are met (vesting period), the total value of the option is prorated over the vesting period and recognized in earnings, with the offsetting entry posted to a specific shareholders' equity account called "Other reserves".

Because stock options are equity instruments, as defined by IFRS 2, the fair value of each option determined on the grant date is not adjusted at the end of each year unless changes occur in the stock options terms and conditions to increase their fair value in favor of beneficiaries. The estimate of the number of options that will reach maturity (and hence the number of employees who will be entitled to exercise their options) is adjusted. The result of any change in estimate is posted as an increase to or a reduction of the abovementioned shareholders' equity account, with the offsetting entry reflected in the income statement. At the end of the exercise period, the exercised options are reflected in the Company's share capital by adding an amount obtained by multiplying the number of shares issued by the par value of each share. The portion of "Other reserves" that is attributable to plan costs previously recognized in earnings and the amount obtained by multiplying the number of shares issued by the difference between the exercise price and the par value per share is posted to a shareholders' equity reserve.

Provisions for risks and charges

Provisions for risks and charges include amounts set aside to fund current obligations (statutory or implied) that arise from a past event, the performance of which will probably require the use of resources and the amount of which can be reasonably estimated. When the use of financial resources is expected to extend for a period of more than one year, the corresponding obligation should be recognized at its present value by discounting expected future cash flows at a rate that takes into account the cost of money and the risks inherent in the liability.

The provisions are updated on each financial statement date to reflect best current estimates. The impact of any changes in estimates is reflected in the income statement for the period during which the change occurred.

Risks that are merely reasonably possible of producing a liability are disclosed in the Notes to the financial statements, but no amount is recorded in the financial statements.

Income taxes

Income taxes include both current and deferred taxes.

Current taxes are computed on the basis of the estimated taxable income for the year in accordance with the tax laws in force in the countries in which the Group operates.

Taxable income is different from reported income because it does not include positive and negative components that will be taxable or deductible in subsequent years and those items that will never be taxable or deductible. The liability for current taxes is computed using the tax rates in force on the date of the financial statements or the tax rates that will be in force when the asset is realized or the liability settled, if they are known.

Deferred-tax assets and liabilities are the taxes that the Group expects to pay or recover on temporary differences between the values attributed to assets and liabilities for reporting purposes and the corresponding tax-related values used to compute taxable income, computed in accordance with the balance sheet liability method. As a rule, deferred-tax liabilities are recognized for all taxable temporary differences, while deferred-tax assets are recognized only insofar as the Group deems it probable that, in the future, it will generate sufficient taxable income to use the deductible temporary differences. The tax benefit produced by carrying forward tax losses is recognized if and to the extent that it is probable that, in the future, the

Group will have sufficient taxable income to offset these losses. Deferred-tax liabilities or assets are also determined for consolidation adjustments.

The carrying value of deferred-tax assets is updated on each financial statement date and reduced when the existence of future taxable income sufficient to recover all or part of these assets is no longer probable.

Deferred taxes are computed at the tax rate in force on the closing date of the financial statements or at the tax rate that will be in force when the asset is realized or the liability settled. Deferred taxes are charged directly to income, except for those attributable to items recognized directly in equity, in which case the corresponding deferred taxes are also recognized in equity. Deferred-tax assets and liabilities can be offset when the taxpayer has a legally exercisable right to offset current tax assets and liabilities and when they refer to the same taxpayer, when they are due to the same tax administration and the Group plans to settle current tax assets and liabilities on a net basis. The net balance is recognized as a "deferred-tax asset" if positive or a "deferred-tax liability" if negative.

Financial liabilities

Financial liabilities consist of loans payable, including advances for the factoring of receivables, other financial liabilities, convertible and non-convertible bond, including derivatives.

Initially, financial liabilities other than derivatives are recognized at their fair value less transaction costs. Subsequently, they are valued at their amortized costs, which is their initial amount, less any principal repayments, adjusted upward or downward to reflect the amortization (by the effective interest rate method) of any differences between the initial value and the value at maturity.

With regard to lease liabilities, consistently with the IFRS 16 standard the Group, as lessee, recognizes separately from financial liabilities the lease liabilities measuring them at the present value of the payments due for leasing not yet settled at the lease commencement date. The payments due include the fixed payments (including the fixed payments in substance), net of any lease incentives to be received, the variable lease payments which depend on an index or a rate and the amounts expected to be paid as guarantee on the residual value. The lease payments include also the exercise price of a purchase option where it is reasonably certain that this option shall be exercised by the Group.

Convertible bonds are classified, at issuance, as "hybrid" or "compound" debt instruments. When the bond issue is considered a compound instrument since its placement, it is split into a debt and, residually, an equity component, as provided for in IAS 32 – Financial instruments: Presentation.

In the case of a "compound" instrument, the debt portion represents the fair value of a traditional bond that does not entail conversion right or option while the equity portion, which is determined on a residual basis in relation to the total amount of the loan, represents the value of the bond conversion option into Company's ordinary shares.

Transactions costs are proportionally allocated to the debt and equity portions.

Financial Derivatives

Consistent with the provisions of IFRS 9, derivatives qualify for hedge accounting only when (i) there is formal designation and documentation of the hedging relationship, including the Group's objective and strategy in risk management at the inception of the hedge and (ii) the hedge is expected to be effective.

When financial instruments qualify for hedge accounting, the following accounting treatments are applied:

- Fair value hedge: if a derivative is designated as hedging the exposure to changes in fair value of a recognized asset or liability attributable to a specific risk that could have an impact on the income statement, the gains or losses derived from subsequent fair value measurements of the hedge are recognized in earnings. Gains or losses on the hedged item that are attributable to the hedged risk change the carrying amount of the hedged items and are also recognized in earnings;
- Cash flow hedge: If a derivative is designated as a hedging of the exposure to variability in the future cash flows attributed to a recognized asset or liability or to a highly probable future transaction that could have an impact on the income statement, the effective portion of the gain or loss stemming from changes in the fair value of the hedge is recognized in equity. The effective portion of any gain or loss is reclassified from shareholders' equity to the income statement in the same period in which the hedged transaction is recognized. Any gains or losses associated with a hedge that has become ineffective are immediately recognized in earnings. If a hedge or a hedging transaction is closed out but the hedged transaction has not yet been executed, all accumulated gains and losses (which until then were recognized in equity) are recognized in the income statement when the corresponding transaction is executed. If the occurrence of the hedged transaction is no longer viewed as probable, unrealized gains and losses suspended in equity are immediately transferred to the income statement.

The hedge effectiveness is determined at the inception of the hedge relationship, through periodic assessments of the prospective hedge effectiveness to ensure the existence of an economic relationship between the hedged item and the hedging instrument.

When hedge accounting cannot be applied, all gains and losses generated by subsequent fair value measurements of derivatives are immediately recognized in earnings.

The fair value of financial instruments that are listed on an active market is based on market prices at the balance sheet date. The fair value of financial instruments that are not are listed on an active market is determined using valuation techniques based on a series of methods and assumptions, and market information at the balance sheet date.

The following provides a classification of financial instruments recorded at fair value in a three-level hierarchy:

- Level 1: Fair value is determined on the basis of (unadjusted) quoted prices in active markets for identical assets or liabilities;
- Level 2: Fair value is determined using valuation techniques based on observable inputs on active market;
- Level 3: Fair value is determined using valuation techniques based on market unobservable inputs.

Revenue recognition

Revenues are recognized when control over assets sold to end customers or distributors has been transferred and related contractual obligations have been met. Revenues are measured as the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services (net of discounts, allowances and return).

Revenues from sales

Revenues from sales to end customers (made by the Group through its subsidiaries) are based on a business model which provides for reagents supply and the provision of a diagnostic instrument along with its technical support (identified as a single performance obligation). Revenues from sales are recognized when control over diagnostic kits is transferred to the end customer (“at point in time”).

Revenues from sales to distributors (the so-called export market where DiaSorin is not present through a direct distribution channel) which provide for separate sale of kits/reagents and/or instruments are identified as separate performance obligation since kits, reagents and instruments will be combined and configured by the distributor and sold to the end customer. The relevant revenues are recognized when control over instruments and/or reagents is transferred to their distributor.

Revenues from “licensed technology” business derive from instrument sales, technical support and related royalties. Revenues from instrument sales are recognized when customer obtains control over the product, and this generally occurs when the product is shipped. Customers have no contractual right to return instruments, except for normal product warranty clauses.

Service revenues

Service revenues are generated by separate contracts for technical support.

These revenues are recognized in the income statement based on the percentage of completion of each transaction and only when the outcome of the transaction can be estimated reliably.

Royalties

The Group collects royalties from third parties for the use of proprietary technology and of patents required to manufacture specific products. Revenues from royalties, which are generally based on the sales revenues generated by patent users, are recognized when underlying sales transactions are concluded.

Interest income

Interest income is recognized in the income statement at the effective yield rate. It is earned mainly on interests on arrears.

Dividends

Dividends distributed by the Parent Company are recognized when the right of the Company’s shareholders to receive payment is established, which generally occurs when the Shareholders’ Meeting approves the dividend distribution resolution. Dividend distribution is recognized as a liability in the financial statements for the period during which the dividend distribution is approved by the Shareholders’ Meeting.

Government grants

Government grants are recognized when there is a reasonable certainty that they will be collected. This occurs when the distributing public entity approves a formal resolution to that effect.

Grants received in connection with the purchase of property, plant and equipment or the capitalization of development costs are booked as a reduction of capitalized costs and recognized in the income statement in equal instalments computed on the basis of the useful lives of the assets for which the grant was received.

Grants received as an interest subsidy upon the occurrence of specific events are recognized in the income statement at the present value of the benefit, when there is a formal commitment to grant the benefit by the distributing public entity. The corresponding liabilities are recognized at their fair value on the date the grant was received. Interest on this liability is recognized in the income statement in accordance with the amortized cost method.

Cost of sales

Cost of sales represents the cost incurred to produce or purchase the goods and merchandise sold by the Company. It includes all of the costs incurred to purchase and process materials and the overhead directly attributable to production.

Overhead includes depreciation of the property, plant and equipment and the amortization of the intangible assets used for production purposes, as well as inventory write-downs. Cost of sales also includes freight paid to deliver products to customers.

Research and development costs

This item includes research and development costs that cannot be capitalized and the amortization of capitalized development costs.

Interest expense

Interest expense is recognized in accordance with the accrual principles, based on the financed amount and the applicable effective interest rate.

Earnings per share

Basic earnings per share are computed by dividing the portion of the net profit or loss attributable to holders of common shares of the Group's Parent Company (the numerator) by the weighted average number of common shares outstanding during the year (the denominator).

Diluted earnings per share are computed by adjusting the portion of the net profit or loss attributable to holders of common shares of the Group's Parent Company (the numerator) and the weighted average number of common shares outstanding during the year (the denominator) to take into account all potential shares with a dilutive effect. A potential share is a financial instrument or other contract that can convey to its holder the right to receive common shares.

Significant non-recurring events and transactions – Atypical and/or unusual transactions

Consistent with CONSOB Communication No. DEM/6064293 of July 28, 2006, the notes to the financial statements provide information about the impact of significant non-recurring events and transactions and/or atypical and/or unusual transactions on the Group's balance sheet, financial position and economic result.

The abovementioned CONSOB Communication defines as atypical and/or unusual transactions those transactions that, because of their significance/materiality, type of counterparty, purpose, method used to determine the transfer price and timing (close to the end of the year), could give rise to doubts with regard to: the accuracy/completeness of the disclosure provided in the financial statements, conflict of interests, safety of the corporate assets and protection of minority shareholders.

Related parties

Consistent with CONSOB Communication No. DEM/6064293 of July 28, 2006, the notes to the financial statements provide information about the impact of related-party transactions on the Group's balance sheet, financial position and economic result.

New accounting standards

Below are the international accounting standards, interpretations and amendments to existing accounting standards and interpretations or specific provisions contained in the standards and interpretations approved by IASB, which have been endorsed or have not been endorsed for adoption in Europe as of the date on which this document has been approved.

New documents issued by IASB and endorsed by the EU to be compulsorily adopted starting from the financial statements for reporting periods beginning on 1 January 2023.

Document title	Date of issue	Effective date	Date of endorsement	EU Regulation and date of publication
IFRS 17 – Insurance contracts (including amendments published in June 2020)	May 2017 June 2020	1 January 2023	19 November 2021	(EU) 2021/2036 23 November 2021
Initial application of IFRS 17 and IFRS 9 — Comparative information (Amendments to IFRS 17)	December 2021	1 January 2023	8 September 2022	(EU) 2022/1491 9 September 2022
Disclosure of accounting policies (Amendments to IAS 1) [6]	February 2021	1 January 2023	2 March 2022	(EU) 2022/357 3 March 2022
Definition of accounting estimates (Amendments to IAS 8)	February 2021	1 January 2023	2 March 2022	(EU) 2022/357 3 March 2022
Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)	May 2021	1 January 2023	11 August 2022	(EU) 2022/1392 12 August 2022
International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)	May 2023	1 January 2023	8 November 2023	(EU) 2023/2468 9 November 2023

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

Document title	Date of issue	Effective date	Date of endorsement	EU Regulation and date of publication
Lease liability in a sale and leaseback (Amendments to IFRS 16)	September 2022	1 January 2024	20 November 2023	(EU) 2023/2579 21 November 2023

[6] The document published by the IASB includes amendments to the document 'IFRS Practice Statements 2 - Making Materiality Judgements' that have not been endorsed by the European Union as they are not related to an accounting standard or interpretation.

IAS/IFRS and related IFRIC interpretations applicable to financial statements for reporting periods beginning after 1 January 2023. Documents NOT yet endorsed by the EU at 31 December 2023.

Please note that these documents will be applicable only after endorsement by the EU.

Document title	Date of issue by the IASB	Effective Date of the IASB Document	Date of expected endorsement by the EU
Amendments			
Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	September 2014	Postponed until completion of IASB project on the equity method	Endorsement suspended, pending the conclusion of IASB project on the equity method
Classification of liabilities as current or non-current (Amendments to IAS 1)	January 2020 July 2020 October 2022	1 January 2024	TBD
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 9)	May 2023	1 January 2024	TBD

The Group will adopt these new standards, amendments and interpretations, based on the date of application provided for, and, when endorsed by the European Union. The Group is currently assessing the possible effects of the introduction of these amendments on the Consolidated Financial Statements.

New accounting standards endorsed and adopted by the Group

This note presents the impact of the adoption of amendments to the accounting standards, which are effective from 1 January 2023, on the consolidated financial statements to the extent that they differ from those applied in the previous periods.

IFRS 17 - Insurance Contracts (including amendments published in June 2020) and initial application of IFRS 17 and IFRS 9 - Comparative information (Amendments to IFRS 17)

Given the activities and the sector in which the Group operates, no significant effects have emerged from the application of this standard and its amendments.

Disclosure of accounting policies (Amendments to IAS 1)

The IASB amended IAS 1 to require entities to disclose their material accounting policy information, instead of significant accounting policies. Amendments clarify the meaning of material accounting policy information and explain how an accounting policy can be considered as material. Furthermore, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. The amendments had no impact on the Group's consolidated financial statements.

Definition of Accounting Estimates (Amendments to IAS 8)

Amendments clarify how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important as changes in accounting estimates are accounted for prospectively to future transactions and other future events while changes in accounting policies must be applied retrospectively to past transactions and other past events as well to the current period.

Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)

Amendments to IAS 12 require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. Previously, IAS 12 did not clarify how to account for these tax effects and thus different approaches were accepted. For a description of the impacts, please refer to note 14.

International Tax Reform—Pillar Two Model Rules - amendments to IAS 12

Amendments to IAS 12 have been introduced in response to BEPS Pillar Two rules of the OECD and include:

- A mandatory temporary exception to the accounting for and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception applies immediately.

The Diasorin Group is subject to the application of the OECD Pillar Two legislation and makes use of exception to the accounting for and disclosure of information on deferred taxes arising from the application of that legislation, as provided for by amendment to IAS 12.

Pillar Two Model Rules require the Group to pay top-up tax equal to the difference between the effective tax rate of the jurisdictions in which it operates and a minimum tax rate of 15%; most of the companies that are part of the Diasorin Group have a higher effective tax rate. Therefore, no significant impacts are expected from the application of this legislation.

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

Lease liability in a sale and leaseback (Amendments to IFRS 16)

The amendments specify requirements for seller-lessees to measure the lease liability in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions after the date of IFRS 16 initial application. Earlier application is permitted, but must be disclosed.

Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)

Amendments clarify the accounting treatment for sale or contribution of assets between an Investor and its Associate or Joint Venture. The accounting treatment depends on whether the non-monetary asset sold or conferred constitutes a business (as defined by IFRS 3 - Business Combinations). Where the non-monetary assets constitute a business, the investor will recognize the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognized by the investor only to the extent of the other investor´s interests in the associate or joint venture. Amendments apply prospectively. The scope of consolidation does not include associated companies and joint ventures, therefore no impacts on the Group's financial statements are expected from the application of this amendment.

Classification of liabilities as current or non-current (Amendments to IAS 1)

Amendments clarify how liabilities should be classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is not affected by company's expectations or events occurring after the reporting date. Amendments clarify what IAS 1 means when it refers to the "settlement" of a liability. Any amendments to the classification of liabilities shall be applied retrospectively, as required by IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 9)

The amendments clarify the characteristics of supplier financing agreements and provide additional information on such agreements. The disclosure requirements provided by the amendments aim to help users of financial understand the effects of supplier financing arrangements on a company's liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual periods beginning on or after 1 January 2024. Early adoption is permitted, but must be disclosed.

ANALYSIS OF FINANCIAL RISKS

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

The table below lists material assets/liabilities by category in accordance with the requirements of IFRS 7:

		12/31/2023				12/31/2022			
(in € thousands)	**Notes**	**Carrying Value**	**Assets at amortized cost**	**Assets at fair value**	**Assets at fair value with changes in the Comprehensive Income**	**Carrying Value**	**Assets at amortized cost**	**Assets at fair value**	**Assets at fair value with changes in the Comprehensive Income**
Trade receivables	(17)	198,560	198,560	-	-	220,035	220,035	-	-
Financial derivatives	(22)	24,639	-	64	24,575	29,033	-	391	28,642
Cash and cash equivalents	(19)	280,314	280,314	-	-	241,776	241,776	-	-
Current financial assets	(22)	98,437	98,437	-	-	142,409	142,409	-	-
Total current financial assets		***601,950***	***577,311***	***64***	***24,575***	***633,253***	***604,220***	***391***	***28,642***
Financial derivatives	(22)	12,891	-	-	12,891	32,156	-	-	32,156
Total non-current financial assets		***12,891***	***-***	***-***	***12,891***	***32,156***	***-***	***-***	***32,156***
Total financial assets		**614,841**	**577,311**	**64**	**37,466**	**665,409**	**604,220**	**391**	**60,798**

		12/31/2023			12/31/2022		
(in € thousands)	**Notes**	**Carrying Value**	**Liabilities at amortized cost**	**Liabilities at fair value**	**Carrying Value**	**Liabilities at amortized cost**	**Liabilities at fair value**
Liabilities for Put/Call option rights classified in other non-current liabilities	(25)	5,011	-	5,011	5,753	-	5,753
Financial lease liabilities (IFRS 16) classified in other non-current liabilities	(22)	62,090	62,090	-	61,004	61,004	-
Non-current financial liabilities	(22)	1,020,915	1,020,915	-	1,170,961	1,170,961	-
Total non-current financial liabilities		***1,088,017***	***1,083,006***	***5,011***	***1,237,718***	***1,231,965***	***5,753***
Trade payables	(26)	100,706	100,706	-	104,204	104,204	-
Financial lease liabilities (IFRS 16) classified in current financial liabilities	(22)	8,910	8,910	-	8,498	8,498	-
Current financial liabilities	(22)	100,738	100,738	-	111,522	111,522	-
Total current financial liabilities		***210,355***	***210,355***	***-***	***224,224***	***224,224***	***-***
Total financial liabilities		**1,298,371**	**1,293,360**	**5,011**	**1,461,942**	**1,456,189**	**5,753**

With regard to the above, classification of financial assets and liabilities measured at fair value in the statement of financial position, according to the fair value hierarchy, concerned derivative financial instruments at December 31, 2023. These instruments are classified at level 2 and entered into other current financial assets amounting to € 37,594 thousand (including financial assets relating to IRS contracts for €

37,530 thousand and for € 64 thousand relating to the fair value of derivatives hedging exchange-rate exposure).

As to current financial assets, the Group used part of its liquidity denominated in U.S. dollar in short-term liquidity management tools (time deposits).

With regard to liabilities for put/call options, the amount refers to the rights envisaged by the Joint Venture contract in China, which have been entered according to IAS 32 and IFRS 9 accounting standards. Specifically, the JV contract, which contains an obligation for the Group to purchase its own equity instruments for cash or other financial assets, gives rise to a financial liability for the present value of the redemption amount. Such amount is not included in the net financial debt.

Non-current financial liabilities and assets are settled or valued at market rates, so their fair value is substantially in line with the current book value.

Length of financial liabilities is provided in Note 22.

Risks related to fluctuations in foreign exchange and interest rates

The Group is exposed to market risk deriving from currency and interest rate fluctuations as it operates in an international framework in which transactions are made in different currencies and interest rates.

As to interest rates, the Group used Interest Rate Swaps as hedges against the debt in US dollar (on which interest accrues at a floating rate) of the subsidiary DiaSorin Inc., with the recognition of a net positive fair value of € 37,530 thousand at December 31, 2023.

Interests do not accrue on the convertible bond issued in Euros by the Group's Parent Company, therefore there are no risks deriving from an interest rate increase.

Some Group subsidiaries are located in countries that are not members of the European Monetary Union. Since the Group's reporting currency is the euro, the income statements of these companies are translated into euros at the average exchange rate for the year. Consequently, even if revenues and margins were to remain equal when stated in the local currency, fluctuations in exchange rates could have an impact on the euro amount of revenues, expenses and operating results due to the translation into the consolidation currency. Assuming a 5% change in the exchange rates of all the currencies used by the Group, the impact on the operating result would be of about € 6 million.

The euro amount attributed to assets and liabilities of consolidated companies that use reporting currencies different from the euro could vary as a result of changes in exchange rates. As required by the accounting standards adopted by the company, these changes are recognized directly in equity by posting them to the "currency translation reserve". A 5% change in all foreign exchange rates would have an impact of about € 77 million on the currency translation reserve.

In order to mitigate the foreign exchange risk related to the currency fluctuations, the Group executed currency forward sales requiring the recognition of a net positive fair value of € 64 thousand at 31 December, 2023 (€ 391 thousand at 31 December, 2022).

Credit risk

The Group's receivables present a low level of risk both due to the sector in which Diasorin operates where end customers are, to a large extent, public institutions and due to the high financial soundness of its main private customers. Considering the Group's economic and financial performance, the economic scenario caused by the COVID-19 pandemic had no material impact on the Group's trade receivables and, therefore, it was not necessary to adjust the determination of the recoverability of receivables recognized in the balance sheet and expected credit losses, according to the model defined by the IFRS 9 standard.

At December 31, 2023 past-due trade receivables were equal to about 5.0% of revenues and refer to the Italian, U.S. and Brazilian subsidiaries. These past-due receivables were covered by an allowance for doubtful accounts amounting to € 13,241 thousand. In addition, in order to bridge the gap between contractual payment terms and actual collection times, the Group resorts to factoring receivables without recourse.

breakdown of trade receivables and provision for doubtful accounts at December 31, 2023, is as follows:

Type	**Expiring**	**0 - 90**	**91 - 180**	**181 - 360**	**Pat due for over 360**	**Total due**	**Total receivables**
Trade receivables	149,278	43,994	6,674	2,076	7,785	60,528	209,807
Expected loss rate	***0%***	***5%***	***6%***	***38%***	***100%***	***19%***	***n.a***
Provision for doubtful account	**-**	(2,275)	(399)	(787)	(7,785)	(11,247)	(11,247)
Net value	**149,278**	**42,883**	**6,274**	**1,288**	**(0)**	**49,282**	**198,560**

Liquidity risk

A prudent cash management strategy includes maintaining sufficient cash or readily available assets and credit lines, to meet immediate liquidity needs. Cash flows, funding requirements and liquidity levels are monitored centrally to ensure promptly and effectively the availability of financial resources and invest appropriately any excess liquidity.

In order to meet any financial needs and a credit market characterized by low liquidity, the Parent Company has deemed it necessary, in 2022, to adopt a EUR 150 million 3 year committed revolving credit facility, made available by a pool of banks and to be used upon set conditions. At December 31, 2023, the Company used about € 55,000 thousand of this credit facility.

Management believes that the funds and credit facilities currently available, when combined with the resources generated by operating and financing activities, will enable the Group to meet the obligations resulting from its capital investment programs, working capital requirements and the need to repay its indebtedness upon maturity.

At December 31, 2023, cash and cash equivalent were € 280,314 thousand and investments in money market instruments with maturity within 12 months were € 98,437 thousand.

Payables to banks and to other lenders consisted of:

- Diasorin Inc.'s bank loan amounting to € 609,421 thousand;
- Convertible bond amounting to € 457,797 thousand;
- Use of a revolving credit facility granted to DiaSorin S.p.A. amounting to € 44,792 thousand and opening and use of a credit line by the Chinese subsidiary amounting to € 10,000 thousand.

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

	(in € thousands)	**12/31/2023**	**12/31/2022**	**Change**
A	Cash on hand	280,314	241,776	38,538
B	Cash equivalent	-	-	-
C	Other current financial assets	98,437	142,409	(43,972)
D	**Liquidity (A+B+C)**	**378,751**	**384,185**	**(5,434)**
E	Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	63,346	48,140	15,206
F	Current portion of non-current financial debt	21,728	43,238	(21,510)
G	**Current financial debt (E+F)**	**85,074**	**91,378**	**(6,304)**
H	**Net current financial debt (G-D)**	**(293,677)**	**(292,807)**	**(870)**
I	Non-current financial debt (excluding the current portion and debt instruments)	612,254	750,854	(138,601)
J	Debt instruments	457,797	448,565	9,232
K	Trade payables and other non-current debts	-	-	-
L	**Non-current financial debt (I+J+K)**	**1,070,050**	**1,199,419**	**(129,369)**
M	**Total financial debt (H+L)**	**776,373**	**906,611**	**(130,238)**

ITEMS THAT INVOLVE THE USE OF SIGNIFICANT ASSUMPTIONS AND ESTIMATES

The preparation of financial statements in accordance with the IFRSs requires the use of estimates for some material amounts. In addition, the Group's management is required to make judgments and assumptions as to how the Group's accounting policies should be applied in certain areas.

The process of drafting financial statements involves the use of estimates and assumptions about future events.

These estimates represent the best assessment possible on the date of the financial statements. However, because of their very nature, they could produce material changes in balance sheet amounts in future years.

Estimates are updated on an on-going basis by the Group's management and are based on past experience, all other known factors and the occurrence of future events that are reasonably expected to take place. Special care is used in this area in view of the high level of uncertainty that characterizes the macroeconomic context.

The main items affected by estimates are reviewed below

Allowance for doubtful accounts

The Allowance for doubtful accounts reflects management's estimates about losses that could be incurred in the portfolio of accounts receivable from end customers and from the indirect distribution network (independent distributors). The allowance for doubtful accounts' estimate is based on the expected credit loss 'ECL' model calculated as the difference between the contractual cash flows due and the cash flows the Group expects to receive, determined on the basis of past experience for similar receivables, the current and historical past due percentages, losses and collections, and the careful monitoring of credit quality, considering current conditions and assumptions concerning future economic conditions.

Provision for inventory write-downs

The Provision for inventory write-downs reflects management's estimates of the Group's loss expectations, determined on the basis of past experience and historical and projected trends in the market for in vitro diagnostics.

Useful life of tangible and intangible assets

The cost of tangible and intangible assets is amortized and depreciated according to the straight-line basis over the estimated useful life of the asset. The useful life is determined by the directors when such assets are purchased and is based on historical experience of similar assets, market conditions and expectations regarding future events that may have an impact, including new technologies. Therefore, the actual useful life may differ from the estimated useful life.

Development costs that meet the requirements for capitalization are recognized as intangible assets.

Impairment of non-current assets

Non-current assets include property, plant and equipment, intangible assets (including goodwill), equity investments and other financial assets. Management reviews the carrying amounts of non-current assets held and in use and available-for-sale assets on a regular basis and whenever events or circumstances make such review necessary. The recoverable value of property, plant and equipment and intangible assets (including goodwill and know how) is verified using criteria that are consistent with the requirements of IAS 36, which are explained in the section of these Notes entitled "Impairment of assets."

Pension plans and other post-employment benefits

The companies of the Group are parties to pension and health benefit plans in different countries. The Group's largest pension plans are in Sweden, Germany and Italy. Management uses different statistical assumptions and evaluation factors to project future events and compute the costs, liabilities and assets related to these plans. Assumptions are made with regard to the discount rate, the expected yield of plan assets, the rates of future increases in employee compensation and trends in health care costs. The actuaries who provide the Group with consulting support also use subjective parameters, such as employee mortality and termination rates.

Stock option plans

The measurement of stock option plans at fair value requires the formulation of specific assumptions, the most significant of which include the following:

- the value of the underlying shares on the valuation date;
- the expected volatility of the price/value of the underlying shares;
- the dividend yield of the underlying shares.

Contingent liabilities

The Group is a party to legal and tax disputes that are under the jurisdiction of various countries. Given the uncertainty inherent in such situations, it is difficult to predict with certainty any expense that may result from these disputes. In the normal course of business, management relies on the support of its legal counsel and of experts on legal and taxation issues. The Group recognizes a liability in connection with these disputes when it believes that the occurrence of a cash outlay is probable and the amount of the resulting loss can be reasonably estimated. When a cash outlay becomes probable, but the amount cannot be determined, this fact is disclosed in the notes to the financial statements.

Derivatives

Option contracts concerning minority interests in subsidiaries executed with minority shareholders are recognized, on the date of execution, as financial liabilities with the offsetting entry posted to other equity reserve, by estimating the present "redemption amount" value. The value of these liabilities is periodically adjusted.

The fair value of financial instruments is based on market quotations or, where unavailable, applying suitable evaluation techniques that use updated financial variables used by market investors and, where possible, taking into account the prices of recent similar transactions on financial instruments. Derivatives are classified as hedging instruments when the link between the derivative and the hedged item is formally documented and, subject to periodic checks, the effectiveness of the hedge is high. Compliance with the requirements defined in IFRS9 to qualify for hedge accounting is verified periodically. Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized in profit and loss.

Convertible bond

As regards items that involve the use of significant assumptions and estimates as part of the consolidated annual financial statements at December 31, 2020, it should be noted the convertible bond valuation. Since its placement, the Bond Issue convertible into ordinary shares amounting to € 500 million due 2028 (Senior unsecured equity-linked bond) issued by DiaSorin S.p.A. on April 28, 2021 has been considered a compound instrument as it is split into a debt and, residually, an equity component, as provided for in IAS 32 – Financial instruments: Presentation. The equity instrument represents the value of the bond conversion option into DiaSorin S.p.A. shares.

Business combinations

Business combinations are recognized by allocating the difference between the acquisition cost and the net book value to the assets and liabilities of the acquired company. For most assets and liabilities, the allocation of the difference is carried out by recognizing the assets and liabilities at their fair value. The unallocated portion, if positive, is recognized as goodwill; if negative, it is allocated to the income statement. In the allocation process, the DiaSorin Group uses the available information while for the most significant business combinations it uses external evaluations.

Climate change

Given the business model in which DiaSorin operates, the Group is not significantly exposed to environmental risks, especially in relation to Climate Change. A detailed analysis of EHS-related risks is provided in the consolidated Non-Financial Statement prepared in compliance with the requirements of Legislative Decree 254/2016.

SEGMENT INFORMATION AT DECEMBER 31, 2023 AND AT DECEMBER 31, 2022

In accordance with IFRS 8, the Company designated the geographic regions where it operates as its operating segments.

The Group's organization and internal management structure and its reporting system are segmented as follows: Italy and U.K. Branch, Europe (Germany, France, Belgium and the Netherlands, Spain and Portugal, Ireland, Austria, Great Britain, Scandinavia, Czech Republic, Slovakia, Switzerland and Poland), North America (United States and Canada) and Rest of the World (Brazil, Mexico, Israel, China, Australia, India and South Africa).

The Group is characterized by an organization of its commercial structure by geographic regions, which was adopted to accommodate the Group's geographic expansion and strategic initiatives. The logic of this new organization reflects the destination of the Group's sales, dividing the sales areas into four regions: Europe and Africa, North America, Latin America, Asia Pacific and China.

As a result of the above, the communication of the financial data of the DiaSorin Group to the financial markets and the investing public is being changed to show revenue data aligned with its organization by regions.

The schedules that follow show the Group's operating and financial data broken down by geographic region identifying, as required by IFRS, 8 paragraph 5:

- Activities generating revenues and expenses (including revenues and expenses relating to transactions with other components of the same entity);
- Operating results that are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- Discrete financial information about assets, liabilities, revenues and expenses.

No unallocated common costs are shown in the abovementioned schedules as each Country and hence each segment is equipped with comprehensive independent organizations (sales, technical support and accounting) fully capable of exercising its function. Moreover, Italy segment invoices each quarter to the other segments the activities costs that are incurred centrally by the Corporate structure to support Group's companies.

Eliminations refer primarily to inter-segment margins that are eliminated at consolidation. Specifically, the elimination of the margin earned by Italy segment through the sale of equipment to other segments is carried out both at the result and investment levels. The margin generated by products sold by the manufacturing locations to the commercial branches but not yet sold to outsiders is eliminated only at the result level.

Segment assets include all operating items (non-current assets, receivables and inventory) but not tax-related items (deferred-tax assets) and financial assets, which are shown at Group level

The same approach was used for segment liabilities, which include operating items (mainly trade payables and amounts owed to employees) but do not include financial and tax liabilities or shareholders' equity, which are shown at Group level.

(in € thousands)	ITALY 2023	ITALY 2022	EUROPE 2023	EUROPE 2022	NORTH AMERICA 2023	NORTH AMERICA 2022	REST OF THE WORLD 2023	REST OF THE WORLD 2022	ELIMINATIONS 2023	ELIMINATIONS 2022	CONSOLIDATED 2023	CONSOLIDATED 2022
INCOME STATEMENT												
Revenues from customers	173,542	197,514	265,210	269,330	607,360	782,739	102,098	111,555	-	-	1,148,210	1,361,138
Inter-segment revenues	272,668	313,381	19,189	18,486	114,254	155,576	-	-	(406,111)	(487,443)	-	-
Total revenues	**446,210**	**510,895**	**284,399**	**287,816**	**721,614**	**938,315**	**102,098**	**111,555**	**(406,111)**	**(487,443)**	**1,148,210**	**1,361,138**
Segment revenues	**73,667**	**118,778**	**19,049**	**28,070**	**106,158**	**210,942**	**1,686**	**2,791**	**15,701**	**(9,322)**	**216,261**	**351,259**
Unallocated common costs											-	-
Operating margin											**216,261**	**351,259**
Other net income (expense)											-	-
Financial income (expense)											(15,045)	(25,320)
Result before taxes											**201,216**	**325,939**
Income taxes											(42,708)	(85,830)
Net result											**158,508**	**240,109**
Other information												
Investments in intangibles	13,837	11,475	45	11,615	51,306	36,264	2,586	1,138	-	-	67,774	60,492
Investments in prop. plant and equip.	24,396	15,420	9,062	10,624	23,370	23,273	5,717	10,387	(1,480)	(2,049)	61,065	57,654
Total investments	**38,233**	**26,895**	**9,107**	**22,239**	**74,676**	**59,537**	**8,303**	**11,525**	**(1,480)**	**(2,049)**	**128,839**	**118,147**
Amortization in intangibles	(10,516)	(10,197)	(6,970)	(6,439)	(61,207)	(64,122)	(981)	(904)	4,657	4,520	(75,017)	(77,142)
Depreciation of prop. plant and equip.	(16,382)	(15,795)	(11,098)	(11,295)	(31,629)	(31,037)	(5,073)	(4,598)	2,343	2,321	(61,839)	(60,404)
Total amortization and depreciation	**(26,898)**	**(25,992)**	**(18,068)**	**(17,734)**	**(92,836)**	**(95,159)**	**(6,054)**	**(5,502)**	**7,000**	**6,841**	**(136,856)**	**(137,546)**

	ITALY 12/31/2023	ITALY 12/31/2022	EUROPE 12/31/2023	EUROPE 12/31/2022	NORTH AMERICA 12/31/2023	NORTH AMERICA 12/31/2022	REST OF THE WORLD 12/31/2023	REST OF THE WORLD 12/31/2022	ELIMINATIONS 12/31/2023	ELIMINATIONS 12/31/2022	CONSOLIDATED 12/31/2023	CONSOLIDATED 12/31/2022
STATEMENT OF FINANCIAL POSITION												
Segment assets	535,881	542,547	182,166	188,980	2,269,622	2,376,759	80,349	84,206	(304,698)	(309,535)	2,763,319	2,882,956
Assets held for sale					-	45,267					-	45,267
Unallocated assets											448,120	479,858
Total assets	**535,881**	**542,547**	**182,166**	**188,980**	**2,269,622**	**2,376,759**	**80,349**	**84,206**	**(304,698)**	**(309,535)**	**3,211,439**	**3,408,082**
Segment liabilities	166,413	179,476	102,126	91,772	217,774	181,247	31,926	48,296	(246,415)	(213,242)	271,823	287,549
Liabilities connected to assets held for sale						5,702					-	5,702
Unallocated liabilities											1,401,648	1,595,081
Shareholders' equity											1,537,968	1,519,750
Total liabilities	**166,413**	**179,476**	**102,126**	**91,772**	**217,774**	**181,247**	**31,926**	**48,296**	**(246,415)**	**(213,242)**	**3,211,439**	**3,408,082**

Description and main changes

Consolidated income statement

In the income statement, costs are classified by function.

With regard to classification of expenses by nature, depreciation and amortization expense totaled € 136,883 thousand (€ 137,546 thousand in 2022), broken down as follows:

(in € thousands)	**2023**	**2022**
Depreciation of property, plant and equipment	61,830	60,404
Amortization of intangibles	75,054	77,142
Total	**136,883**	**137,546**

Depreciation of property, plant and equipment includes € 21,487 thousand attributable to equipment held by customers, which in the income statement by destination is part of the cost of sales. An additional € 19,137 thousand (€ 16,100 thousand in 2022) representing depreciation of plant, machinery and manufacturing equipment is included among production expenses, classified in cost of sales.

The amortization of intangible assets is recognized mainly as part of research and development costs (€ 23,094 thousand), sale and marketing expenses (€ 49,002 thousand) and general and administrative expenses (€ 1,896 thousand).

Labor costs amounted to € 375,788 thousand (€ 384,324 thousand in 2022).

A breakdown is as follows:

(in € thousands)	**2023**	**2022**
Wages and salaries	306,301	313,522
Social security contributions	25,209	26,581
Severance indemnities and other benefits paid	2,010	3,027
Cost of stock option plans	10,182	9,539
Other labor costs	32,086	31,655
Total	**375,788**	**384,324**

The table below shows the average number of Group employees in each category:

	2023	**2022**
Factory staff	582	619
Office staff	2,507	2,530
Managers	221	223
Total	**3,310**	**3,372**

1. Revenues

In 2023, revenues, which are generated mainly through the sale of diagnostic kits, were € 1,148,210 thousand (€ 1,361,138 thousand in 2022), down by 15.6% compared to 2022.

A breakdown of revenues by customer location in outlet markets is provided below:

(in € thousands)	**2023**	**2022**	**Change %**
Europe direct	377,628	363,248	4.0%
North America direct	518,579	548,952	-5.5%
Rest of the World	193,449	205,429	-5.8%
Revenues, net of COVID	**1,089,656**	**1,117,630**	**-2.5%**
COVID	58,554	243,509	-76.0%
Total Revenues	**1,148,210**	**1,361,139**	**-15.6%**

2. Cost of sales

In 2023, the cost of sales was € 407,024 thousand, as against € 460,525 thousand in 2022. The item includes, in addition to costs for diagnostic kits production, royalties expense amounting to € 39,075 thousand (€ 37,572 thousand in 2022), costs incurred to distribute products to end customers totaling € 16,437 thousand (€ 20,853 thousand in 2022) and depreciation of Group's equipment held by customers equal to € 21,487 thousand (€ 23,673 thousand in 2022).

3. Sales and marketing expenses

In 2023, sales and marketing expenses amounted to € 285,887 thousand, as against € 292,050 thousand in the previous year. This item consists mainly of marketing costs incurred to promote and distribute Diasorin products, costs attributable to the direct and indirect sales force and the cost of the technical support offered together with the Group-owned equipment provided to customers under gratuitous loan contracts.

Amortizations of intangibles deriving from the Luminex acquisition were € 38,122 thousand, as against € 41,950 thousand in the previous year.

4. Research and development costs

In 2023, research and development costs, which totaled € 90,947 thousand (€ 96,904 thousand in 2022), include the research and development outlays that were not capitalized, equal to € 37,020 thousand (€ 46,595 thousand in 2022), costs incurred to register the products offered for sale and meet quality requirements totaling € 32,070 thousand (€ 32.107 thousand in 2022) and the amortization of capitalized development costs equal to € 21,857 thousand (€ 18,202 thousand in 2022). In 2023, the Group capitalized development costs amounting to € 61,197 thousand, as against € 41,863 thousand in 2022.

5. General and administrative expenses

General and administrative expenses, which include expenses incurred for corporate management activities, Group administration, finance and control, information technology, corporate organization and insurance, were € 128,524 thousand in 2023 (€ 122,697 thousand in 2022). The item includes € 8,160 thousand in costs attributable to Directors and strategic executive compensation (€ 8,010 thousand in 2022).

6. Other operating income (expense)

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

(in € thousands)	**2023**	**2022**
Tax liabilities	(1,697)	(1,366)
Accruals to the doubtful debts and provisions for risks and charges	1,657	(5,380)
Other operating income (expense)	2,059	(6,894)
Non-recurring costs-write-down of Flow Cytometry assets	(4,404)	(9,039)
Costs from the disposal of Aries business	(8,335)	-
Non recurring costs-others	(8,847)	(15,023)
Other operating income (expense)	**(19,567)**	**(37,702)**

The item Other operating income (expense) includes income and expenses from operations that cannot be allocated to specific functional areas (such as gains and losses on asset sales, government grants, insurance settlements, reversals of unused provisions, additions to provisions for risks, incidental taxes and fees).

Non-recurring costs include costs from the sale of Flow Cytometry and Aries businesses, and costs incurred to complete the integration of the Luminex Group.

7. Financial income

In 2023, the Group's financial income amounted to € 15,368 thousand (€ 9,654 thousand in 2022), mainly resulting from interest income accrued on time deposits to manage the company's liquidity denominated in U.S. dollars (€ 8,700 thousand) and from the positive change of the ineffective Mark-to-Market component of the IRS derivative to hedge the Term Loan taken out for financing the Luminex acquisition (€ 1,437 thousand).

8. Financial expenses

Financial expenses are detailed in the table below:

(in € thousands)	**2023**	**2022**	**Var.**
Factoring transactions fees	(1,077)	(355)	(722)
Interest expenses and other financial expenses	(28,291)	(34,072)	5,781
Including: interest expense on leases	*(3,009)*	*(2,874)*	*(135)*
Interest on pension funds	(1,045)	(539)	(507)
Total financial expenses	**(30,413)**	**(34,965)**	**4,552**

In 2023, financial expenses amounted to € 30,413 thousand, as against € 34,965 thousand in 2022.

Interest expenses and other financial expenses include:

- € 9,348 thousand in financial expenses at amortized cost relating to the convertible bond issued by the Group's Parent Company (€ 9,381 thousand in 2022);
- € 12,464 thousand relating to the bank loan to support the acquisition of the Luminex Group (€ 16,908 thousand in 2022);
- € 3,009 thousand in interest expenses on leases recognized under IFRS16 accounting standard (€ 2,874 thousand in 2022).

9. Income taxes

Income taxes recognized in the income statement amounted to € 42,708 thousand (€ 85,830 thousand in 2022), broken down as follows:

(in € thousands)	**2023**	**2022**
Current income taxes:		
- Regional taxes (IRAP)	3,143	5,343
- Other income taxes	54,747	60,548
Other taxes (non-deductible tax withholdings /taxes for previous years)	(2,194)	(3,050)
Deferred taxes	(12,987)	22,988
IRAP amount	*81.2*	*(267)*
Total income taxes for the year	**42,708**	**85,830**

A reconciliation of the theoretical tax rate to the effective tax rate, without taking into account the IRAP liability and withholding taxes on dividends, is provided below:

(in € thousands)	**2023**	**2022**
Profit before taxes	201,216	325,940
Ordinary tax rate	24.0%	24.0%
Theoretical income taxes	48,292	78,226
Tax effect of permanent differences and deferred tax adjustments	(8,561)	6,955
Effect of foreign tax rates other than statutory Italian tax rates	1,947	(1,377)
Total income taxes	**41,678**	**83,803**
Effective tax rate	**20.7%**	**25.7%**

In 2023, the effective tax rate was 20.7%. The decrease versus 2022 (25.7%) refers to adjustments to the estimated amount, in the previous year, of Luminex Group's deferred taxes.

10. Earnings per share

Basic earnings per share amounted to € 2.87 in 2023 (€ 4.16 in 2022) and diluted earnings per share amounted to € 2.87 (€ 4.15 in 2022). Basic earnings per shares were computed by dividing the net profit attributable to the shareholders by the weighted average number of shares outstanding during the year, equal to 55,745,935 in 2023 and 57,750,850 in 2022.

The dilutive effect of stock option plans granted by Diasorin S.p.A. is determined by excluding tranches assigned to a higher price than the average price of Diasorin ordinary shares in 2023.

Consolidated statement of financial position

11. Property, plant and equipment

The tables below show the changes that occurred in the original cost of property, plant and equipment in 2023 and 2022:

(in € thousands)	At December 31, 2022	Additions	Translation differences	Net Divestments and other changes	At December 31, 2023
Land	5,161	-	(108)	-	5,053
Buildings	42,632	1,719	(935)	4,178	47,594
Plant and machinery	54,910	3,896	(512)	1,232	59,526
Manufacturing and distribution equipment	263,587	21,312	(4,581)	(2,478)	277,840
Other assets	72,275	9,573	(3,071)	(1,705)	80,482
Advances and tangibles in progress	34,382	8,967	(1,090)	(12,094)	30,165
IFRS16 right of use	82,320	15,599	(1,919)	1,851	97,851
Total property, plant and equipment	**555,267**	**61,066**	**(12,216)**	**(5,606)**	**(598,511)**

(in € thousands)	At December 31, 2021	Additions	Translation differences	Net Divestments	Reclassifications and other changes	At December 31, 2022
Land	4,982	-	179	-	-	5,161
Buildings	35,555	3,423	1,032	-	2,622	42,632
Plant and machinery	48,978	4,557	553	(273)	1,096	54,910
Manufacturing and distribution equipment	252,087	21,478	9,662	(20,343)	703	263,587
Other assets	64,656	6,352	4,506	(5,326)	2,088	72,275
Advances and tangibles in progress	27,607	17,165	271	(24)	(10,636)	34,382
IFRS16 right of use	90,448	4,681	2,412	(8,778)	(6,442)	82,320
Total property, plant and equipment	**524,313**	**57,655**	**18,614**	**(34,746)**	**(10,569)**	**555,268**

The following changes occurred in the corresponding accumulated depreciation accounts in 2023 and 2022:

(in € thousands)	At December 31, 2022	Depreciation	Translation differences	Net Divestments and other changes	At December 31, 2023
Buildings	20,756	1,654	(404)	-	22,006
Plant and machinery	32,784	4,414	(195)	(634)	36,369
Manufacturing and distribution equipment	180,908	38,068	(3,524)	-	215,452
Other assets	32,906	6,553	(1,947)	-	37,512
IFRS 16 rights of use	19,468	11,140	(466)	692	30,834
Total property, plant and equipment	**286,822**	**61,829**	**(6,535)**	**58**	**342,173**

(in € thousands)	At December 31, 2021	Depreciation	Translation differences	Divestments	Reclassifications and other changes	At December 31, 2022
Buildings	18,938	1,205	613	-	-	20,756
Plant and machinery	28,938	3,826	205	(272)	87	32,784
Manufacturing and distribution equipment	158,157	35,582	6,321	(16,952)	(2,201)	180,908
Other assets	24,219	7,587	2,793	(1,603)	(89)	32,906
IFRS 16 rights of use	17,864	12,204	157	(6,613)	(4,145)	19,468
Total property, plant and equipment	**248,116**	**60,404**	**10,089**	**(25,440)**	**(6,348)**	**286,821**

A breakdown of the net carrying value of property, plant and equipment at December 31, 2023 and 2022 is provided below:

(in € thousands)	At December 31, 2022	Additions	Depreciation	Translation differences	Net Divestments and other changes	At December 31, 2023
Land	5,161	-	-	(108)	-	5,053
Buildings	21,876	1,719	(1,654)	(531)	4,178	25,588
Plant and machinery	22,126	3,896	(4,414)	(317)	1,865	23,156
Manufacturing and distribution equipment	82,680	21,312	(38,068)	(1,057)	(2,536)	62,331
Other assets	39,369	9,573	(6,553)	(1,124)	1,711	42,976
Advances and tangibles in progress	34,382	8,967	-	(1,090)	(12,094)	30,165
IFRS16 right of use	62,853	15,599	(11,140)	(1,454)	1,159	67,017
Total property, plant and equipment	**268,448**	**61,065**	**(61,830)**	**(5,681)**	**(5,717)**	**256,286**

(in € thousands)	At December 31, 2021	Additions	Depreciation	Translation differences	Divestments	Reclassifications and other changes	At December 31, 2022
Land	4,981	-	-	179	-	-	5,161
Buildings	16,615	3,423	(1,205)	419	-	2,622	21,876
Plant and machinery	20,041	4,557	(3,826)	348	(1)	1,009	22,126
Manufacturing and distribution equipment	93,931	21,478	(35,582)	3,341	(3,391)	2,904	82,680
Other assets	40,438	6,352	(7,587)	1,713	(3,723)	2,177	39,369
Advances and tangibles in progress	27,607	17,165	-	271	(24)	(10,636)	34,382
IFRS16 right of use	72,585	4,681	(12,204)	2,255	(2,165)	(2,298)	62,853
Total property, plant and equipment	**276,197**	**57,655**	**(60,404)**	**8,526**	**(9,305)**	**(4,221)**	**268,448**

Additions to manufacturing and distribution equipment include equipment provided to customers, equal to € 13,678 thousand in 2023 (€ 16,996 thousand in 2022). Depreciation for the period were € 23,472 thousand (€ 25,629 thousand in 2022).

Advances and tangibles in progress were € 30,165 thousand in 2023 (€ 34,382 thousand in 2022) and include advances on plant and machinery, equipment and leasehold improvements.

Tangible assets include *"Right-of-use Assets"* for a total amount of € 67,017 thousand at December 31, 2023 (€ 62,853 thousand at December 31, 2022). The item includes right-of-use assets relating to rented property and industrial buildings, amounting to € 59,436 thousand (€ 58,162 thousand at December 31, 2022), as well as right-of-use assets relating to company vehicles rentals amounting to € 7,580 thousand (€ 6,971 thousand at December 31, 2022).

12. Goodwill and other intangible assets

Goodwill totaled € 799,365 thousand at December 31, 2023 (€ 826,352 thousand at December 31, 2022), with a decrease of € 26,988 thousand due to the foreign exchange effect related to DiaSorin North America CGU.

The tables below describe the main changes that occurred in goodwill.

As explained in the "Accounting Standards" section of this Report, goodwill is tested for impairment and, if necessary, it is written down when impairment losses occur. The Group assesses the recoverability of goodwill and other intangibles with an indefinite life at least once a year by testing for impairment each cash generating unit (CGU). Through the impairment test of the CGUs, the Group assess the recoverability of other intangibles with a finite useful life also in the absence of specific impairment indicators.

The CGUs identified by the Group coincide with the single Group companies or, where relevant, homogeneous aggregations of companies vis-à-vis the geographic areas where the Group operates. Goodwill has been allocated to the CGU'S that at the time of their purchase benefit from the synergies generated by the respective business combinations generating goodwill. A breakdown of how goodwill was recognized and/or allocated to the different CGUs for impairment test purposes is as follows:

- € 743,045 thousand to DiaSorin North America CGU;
- € 46,447 thousand to DiaSorin Italia CGU;
- € 6,840 thousand to DiaSorin Germany CGU;
- € 2,267 thousand to DiaSorin Brazil CGU;
- € 765 thousand to DiaSorin Benelux CGU.

The table below provides a breakdown of changes in goodwill, by individual CGU, that occurred in 2023:

(in € thousands)	**At December 31, 2022**	**Translation differences**	**At December 31, 2023**
Diasorin Benelux CGU	765	-	765
Diasorin Brazil CGU	2,156	111	2,267
Diasorin Germany CGU	6,840	-	6,840
Diasorin Italia CGU	46,447	-	46,447
Diasorin North America CGU	770,144	(27,099)	743,045
Total goodwill	**826,352**	**(26,988)**	**799,365**

With reference to assets with indefinite useful life, the following should be noted:

- the know how acquired with the Murex transaction in 2010, amounting to €5,044 thousand, was tested for impairment as part of the DiaSorin Italia CGU;
- the license for the use of the TTP technology acquired from TTP Plc in 2021, amounting to € 6,100 thousand, was tested for impairment as part of the DiaSorin North America CGU.

The impairment test was completed on the basis of the most recent projections of economic results and cash flows for future years (2024-2026). These projections have been developed on the basis of the new business plan approved by the Board of Directors and presented in December 2023.

The recoverability of the recognized amounts was tested by comparing the net carrying amount of the individual CGUs with their value in use (recoverable amount). The recoverable amount is equal to the present value of the future cash flows that the continuing use of the assets belonging to each CGU is expected to generate both for the period of explicit flows, and at the end of the time horizon of the forecast (in accordance with the perpetuity method).

The main assumptions used to compute the recoverable amount were those concerning the discount rate, the most recent budget data and long-range projections and the expected growth rate at the end of the time horizon of the forecast.

These assumptions reflect the past performance and are consistent with external sources of available information.

The annual growth rate of revenues in the three-year forecast, as outlined in the 2024-2027 Business Plan presented in December, is expected to be between +5% and +7% to 2024, excluding COVID revenues. In the 2024-2027 period covering the period used for the impairment test, CAGR is expected to be up high single-digit – low double digit. EBITDA margin is determined on the basis of past performance and management expectations on market development. Growth drivers are as follows: the expansion of specialty menu paired with third generation products and U.S. hospital strategy in the immunodiagnostics area; the expansion of specialty menu and launch of two new platforms in the molecular diagnostics area; new biopharma opportunities leveraging the recently launched Intelliflex platform in relation to the Licensed Technologies area.

In computing the present value of future cash flow, the Group used a discount rate that reflects the weighted average cost of capital (WACC) and the cost of debt. The discount rate used was determined on a post-tax basis and coherently with the cash flows. The Group computed a specific WACC for each CGU to take into account the specific risk entailed by the Group's business in each country (this variable is reflected in the use of risk-free for each country).

The discount rates used for each CGU are listed in the table below:

Company	WACC
Diasorin Italia CGU	9.19%
Diasorin France CGU	7.61%
Diasorin Iberia CGU	8.01%
Diasorin Benelux CGU	7.28%
Diasorin Sweden CGU	6.91%
Diasorin UK CGU	7.53%
Diasorin Germany CGU	6.79%
Diasorin Austria CGU	7.54%
Diasorin Czech Republic & Slovakia CGU	8.18%
Diasorin North America CGU	6.84%
Diasorin Brazil CGU	9.58%
Diasorin Mexico CGU	9.08%
Diasorin Israel CGU	8.62%
Diasorin China CGU	7.82%
Diasorin Australia CGU	6.79%
Diasorin India CGU	8.89%
Diasorin Switzerland CGU	6.92%
Diasorin Poland CGU	8.29%

The time horizon used for cash flows projections is 3 years for all the CGUs, with the only exception of Diasorin China CGU, for which the time horizon is 5 years, due to major manufacturing investments for the benefit of the Company.

Then, a terminal value (perpetual return) was applied using a growth rate (the “g” rate) that management deems to be representative of the projected growth rate in the sectors in which the CGUs operate.

Company	**g rate**
Diasorin Italia CGU	2.06%
Diasorin France CGU	2.00%
Diasorin Iberia CGU	1.91%
Diasorin Benelux CGU	2.01%
Diasorin Sweden CGU	2.09%
Diasorin UK CGU	1.99%
Diasorin Germany CGU	2.17%
Diasorin Austria CGU	2.23%
Diasorin Czech Republic & Slovakia CGU	2.11%
Diasorin North America CGU	2.16%
Diasorin Brazil CGU	3.26%
Diasorin Mexico CGU	3.26%
Diasorin Israel CGU	1.37%
Diasorin China CGU	2.23%
Diasorin Australia CGU	2.32%
Diasorin India CGU	4.39%
Diasorin Switzerland CGU	0.88%
Diasorin Poland CGU	2.28%

In addition, the Group carried out a sensitivity analysis assuming a worsening of WACC and g rate variables in the impairment test. Specifically, the discount rate applicable to each single CGU was increased up to 0.5 percentage points and terminal growth rate decreased by 0.25 percentage points. The sensitivity analysis carried out on each CGU showed no indications of impairment.

Other intangibles were € 1,125,605 thousand at December 31, 2023 (€ 1,168,711 thousand at December 31, 2022).

The tables that follow show the changes that occurred in the original cost of goodwill and other intangibles in 2023 and 2022:

(in € thousands)	**At December 31, 2022**	**Additions**	**Translation differences**	**Divestments and other changes**	**At December 31, 2023**
Goodwill	826,352	-	(26,988)	-	799,365
Development costs	390,874	61,197	(11,989)	(6,297)	433,785
Concessions, licenses and trademarks	217,269	1,837	(6,318)	4,287	217,075
Customer relationship	*816,279*	-	*(27,382)*	-	*788,897*
Industrial patents and intellectual property rights	30,620	173	(7)	1,477	32,263
Advances and other intangibles	21,197	4,567	1,352	1,263	28,379
Total intangible assets	**2,302,591**	**67,774**	**(71,332)**	**730**	**2,299,763**

(in € thousands)	At December 31, 2021	Additions	Translation differences	Divestments and other changes	At December 31, 2022
Goodwill	789,630	-	45,104	(8,383)	826,351
Development costs	340,746	41,863	16,920	(8,655)	390,874
Concessions, licenses and trademarks	211,389	14,898	10,460	(19,478)	217,269
Customer relationship	780,492	-	45,538	(9,751)	816,279
Industrial patents and intellectual property rights	30,117	83	62	357	30,620
Advances and other intangibles	16,582	3,648	1,799	(832)	21,197
Total intangible assets	**2,168,957**	**60,492**	**119,884**	**(46,742)**	**2,302,591**

The following changes occurred in the corresponding accumulated amortization accounts in 2023 and 2022:

(in € thousands)	At December 31, 2022	Amortization	Translation differences	Divestments and other changes	At December 31, 2023
Development costs	75,059	21,857	(1,829)	-	95,087
Concessions, licenses and trademarks	95,091	13,014	(2,602)	-	105,503
Customer relationship	103,468	39,599	(1,968)	-	141,098
Industrial patents and intellectual property rights	29,166	585	(14)	-	29,737
Advances and other intangibles	4,741	(0)	(1,375)	-	3,366
Total intangible assets	**307,525**	**75,055**	**(7,788)**	**-**	**374,792**

(in € thousands)	At December 31, 2021	Amortization	Translation differences	Divestments and other changes	At December 31, 2022
Development costs	55,251	18,202	1,711	(106)	75,059
Concessions, licenses and trademarks	79,291	14,771	3,205	(2,176)	95,091
Customer relationship	*59,985*	*43,263*	*1,664*	*(1,444)*	103,468
Industrial patents and intellectual property rights	28,347	771	48	-	29,166
Advances and other intangibles	2,713	136	2,456	(564)	4,741
Total intangible assets	**225,588**	**77,143**	**9,085**	**(4,289)**	**307,526**

A breakdown of the net carrying value of goodwill and other intangibles at December 31, 2023 and 2022, is provided below:

(in € thousands)	At December 31, 2022	Additions	Amortization	Translation differences	Divestments and other changes	At December 31, 2023
Goodwill	826,352	-	-	(26,988)	-	799,365
Development costs	315,815	61,197	(21,857)	(10,160)	(6,297)	338,699
Concessions, licenses and trademarks	122,177	1,837	(13,014)	(3,715)	4,287	111,571
Customer relationship	712,811	-	(39,599)	(25,414)	-	647,798
Industrial patents and intellectual property rights	1,454	173	(585)	7	1,477	2,527
Advances and other intangibles	16,455	4,567	0	2,727	1,263	25,011
Total intangible assets	**1,995,063**	**67,774**	**(75,054)**	**(63,543)**	**731**	**1,924,971**

(in € thousands)	At December 31, 2021	Additions	Amortization	Translation differences	Divestments and other changes	At December 31, 2022
Goodwill	789,630	-	-	45,104	(8,383)	826,352
Development costs	285,496	41,863	(18,202)	15,209	(8,549)	315,815
Concessions, licenses and trademarks	132,098	14,898	(14,771)	7,255	(17,302)	122,177
Customer relationship	720,507	-	(43,263)	43,874	(8,307)	712,811
Industrial patents and intellectual property rights	1,770	83	(771)	15	357	1,454
Advances and other intangibles	13,869	3,648	(136)	(657)	(268)	16,455
Total intangible assets	**1,943,370**	**60,492**	**(77,143)**	**110,799**	**(42,453)**	**1,995,063**

In 2023, capitalized development costs were € 61,197 thousand (€ 41,863 thousand in 2022) and refer to the development of LIAISON PLEX and LIAISON NES.

A test of the recoverability of the net carrying amount of capitalized development projects and other intangible assets was performed by determining the recoverable value of the CGUs to which they were attributed and testing them for impairment, as described above.

13. Equity investments

Non-consolidated equity investments totaled € 26 thousand at December 31, 2023 and refer to shares in non-controlled companies. No changes occurred compared to 2022.

14. Deferred-tax assets and deferred-tax liabilities

Deferred-tax assets amounted to € 31,813 thousand at December 31, 2023 (€ 34,459 thousand at December 31, 2022). They relate to consolidated companies that have deferred-tax assets in excess of deferred-tax liabilities. Deferred-tax liabilities, which were € 199,596 thousand (€ 229,310 thousand at December 31, 2022) are included within liabilities in the balance sheet and relate to consolidated companies that have deferred-tax liabilities in excess of deferred-tax assets. The balance includes the recognition of deferred-tax liabilities for temporary differences attributable to the Luminex Group's assets and liabilities, for an amount of € 173,500 thousand (€ 197,192 thousand at December 31, 2022).

The balance reflects the net deferred-tax assets computed from the elimination of unrealized gains on intra-Group transactions and on temporary differences between the assets and liabilities amounts used to prepare the consolidated financial statements and the corresponding amounts used by the consolidated companies for tax purposes.

Deferred-tax assets were recognized in the financial statements when their future use was deemed to be probable. The same approach was used to recognize the benefit provided by the use of tax loss carryforwards, most of which, under current laws, can be brought forward indefinitely.

Based on the multi-year plans prepared by the Group's management, the Group is expected to generate sufficient taxable income in future years to allow for the full recovery of the abovementioned amounts.

An analysis of deferred-tax assets, net of offsettable deferred-tax liabilities, is provided below:

(in € thousands)	**12/31/2023**	**12/31/2022**
Deferred-tax assets	31,813	34,459
Deferred-tax liabilities	(199,596)	(229,310)
Total net deferred-tax assets (liabilities)	**(167,783)**	**(194,850)**

The table below shows a breakdown of the tax effect of the temporary difference that generated the balance of net deferred-tax assets and liabilities:

(in € thousands)	**12/31/2023**	**12/31/2022**
Positive changes:		
Amortization and write-downs	6,006	6,656
Provisions for risks and charges	7,945	5,811
Provision for employees' benefits	8,136	7,082
Intra-Group profits and other changes	13,654	11,513
Losses carried forward	9,602	12,577
Total	**45,343**	**43,639**
Negative changes:		
Amortization	(213,126)	(238,489)
Total	**(213,126)**	**(238,489)**
Total net deferred tax assets (liabilities)	**(167,783)**	**194,850)**

The tables that follow show tax losses on which deferred tax assets/no deferred tax assets were recognized.

(in € thousands)	**12/31/2023**	**12/31/2022**
Previous tax losses	100,257	128,813
Deferred tax assets recognized on tax losses	**9,602**	**12,577**
Previous tax losses	126,557	136,712
Unrecognized deferred tax assets	**8,317**	**9,719**

Unrecognized deferred tax assets were € 8,317 thousand at December 31, 2023 (€ 9,719 thousand at December 31, 2022) and mainly refer to previous tax losses of Luminex Corp in relation to the U.S. State Tax which hinders their full recoverability given the composition of expected taxable income in the various U.S. states, the different applicable tax rates and restrictions imposed by local rules.

In accordance with IAS 12, the Group recognized deferred tax assets amounting to € 9,962 thousand and relating to lease liabilities (IFRS 16), and deferred tax liabilities amounting to € 8,789 thousand and relating to rights of use.

15. Other non-current assets

Other non-current assets amounted to € 2,760 thousand (€ 3,722 thousand at December 31, 2022). They consist mainly of receivables from the Parent Company and the Italian, Belgian, Brazilian, Chinese and U.S. subsidiaries due beyond 12 months.

16. Inventories

A breakdown of inventories, which totaled € 315,500 thousand, is provided below:

(in € thousands)	**12/31/2023**			**12/31/2022**			
	Gross amount	**Obsolescence provision**	**Net amount**	**Gross amount**	**Obsolescence provision**	**Assets held for sale**	**Net amount**
Raw materials and supplies	154,040	(18,123)	**135,917**	169,676	(19,673)	(13,381)	**136,622**
Work in progress	82,217	(5,823)	**76,393**	84,555	(6,292)	(3,422)	**74,841**
Finished goods	110,457	(7,267)	**103,190**	108,716	(9,561)	(4,114)	**95,041**
Total	**346,714**	**(31,214)**	**315,500**	**362,946**	**(35,525)**	**(20,918)**	**306,503**

The table below shows the changes that occurred in the provision for inventory obsolescence:

(in € thousands)	12/31/2023	12/31/2022
Opening balance	**35,525**	**50,205**
Provisions for the period	13,875	9,900
Utilizations/Reversals for the year	(16,931)	(25,720)
Translation differences and other changes	(1,256)	1,140
Closing balance	**31,214**	**35,525**

Net provisions include € 6,900 thousand for the disposal of Aries business.

17. Trade receivables

Trade receivables totaled € 198,560 thousand at December 31, 2023 (€ 220,035 thousand at December 31, 2022).

The table that follows shows the changes that occurred in the allowance for doubtful accounts, which amounted to € 13,241 thousand, as against December 31, 2022:

(in € thousands)	12/31/2023	12/31/2022
Opening balance	**13,504**	**11,969**
Provisions for the period	154	1,301
Utilizations	(234)	(246)
Translation differences and other changes	(2,177)	480
Closing balance	**11,247**	**13,504**

Receivables from public sector and universities amounted to € 65,120 thousand (€ 59,230 thousand at December 31, 2022).

In order to bridge the gap between contractual payment terms and actual collection times, the Group uses factoring transactions to assign its receivables without recourse. In 2023, receivables assigned by the Italian subsidiary amounted to € 42,821 thousand.

18. Other current assets

Other current assets amounted to € 65,243 thousand (€ 89,184 thousand at December 31, 2022) and include tax credit, including € 30,151 thousand for IRES and IRAP tax receivables held by the Group's Parent company and the Italian subsidiary.

19. Cash and cash equivalent

Cash and cash equivalents amounted to € 280,314 thousand at December 31, 2023 (€ 241,776 thousand at December 31, 2022). They consist of ordinary bank accounts and similar money market instruments. More detailed information is provided in the Statement of Cash Flows.

20. Assets/liabilities held for sale

In December 2022, Directors resolved to sell a group of assets and liabilities related to the "Flow Cytometry & Imaging" technology. Following this resolution, items related to these assets and liabilities were classified as current assets and liabilities held for sale, as required by IFRS 5, in the consolidated financial statements at December 31, 2022. At the same time, the remeasurement of the assets sold resulted in a charge of € 8,924 thousand

On February 28, 2023, following the agreement with Cytek Bioscences, the Group completed the sale of the assets relating to the “Flow Cytometry & Imaging” business unit, for € 42,378 thousand.

Some changes occurred until the effective date of transaction in the items previously classified as assets/liabilities held for sale at December 31, 2022, resulting in a charge in the first half of the year and arising from the sale of the Flow Cytometry business which was completed for an amount equal to € 4,404 thousand.

Items included in assets/liabilities held for sale at December 31 are as follows:

(in € thousands)	**12/31/2023**	**12/31/2022**
Intangible assets	-	22,072
Property, plant and equipment	-	2,278
Inventories	-	20,918
Total assets held for sale	**-**	**45,267**
Other payables	-	3,979
Current financial liabilities for leases (IFRS 16)	-	883
Other non-current liabilities	-	841
Total liabilities held for sale	**-**	**5,703**
Net Total	**-**	**39,565**

21. Shareholders’ equity

Share capital

At December 31, 2023, the fully paid-in share capital consisted of 55,948,257 common shares, par value of € 1 each. No changes occurred compared with December 31, 2022.

Treasury shares

At December 31, 2023, the amount of treasury shares was 2,588,278, equal to 4.63% of the share capital, totaling € 296,797 thousand (€ 281,277 thousand at December 31, 2022).

The increase of € 15,520 compared to December 31, 2023 reflects the net effect deriving from the purchase of treasury shares (equal to € 28,689 thousand), and from the exercise of 132,781 total options relating to 2017 Stock Option Plan (5,000 options) and 2018 Stock Option Plan (127,781 options), for a total value of € 11,515 thousand, and from the assignment of the first tranche of shares in relation to the 2022 equity plan for an amount equal to € 1,653 thousand.

Additional paid-in capital

This reserve amounted to € 18,155 thousand at December 31, 2023, and no changes occurred compared with December 31, 2022.

Statutory reserve

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

Other reserves and retained earnings

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

(in € thousands)	**12/31/2023**	**12/31/2022**	**Change**
Currency translation reserve	67,509	121,000	(53,491)
Reserve for treasury shares	296,797	281,277	15,520
Stock option reserve	32,240	25,444	6,796
Gains/(losses) on remeasurement of defined benefit plans	(6,139)	(3,513)	(2,626)
Retained earnings	1,290,099	1,108,062	182,037
IFRS transition reserve	(2,973)	(2,973)	-
Other reserves	(87,331)	(55,230)	(32,101)
Total Other reserves and retained earnings	**1,590,203**	**1,474,067**	**116,136**

Currency translation reserve

The currency translation reserve was positive by € 67,509 thousand (€ 121,000 thousand at December 31, 2022) and reflects the foreign exchange differences resulting from the translation at year-end exchange rates of the shareholders' equities of consolidated companies with financial statements denominated in foreign currencies. The negative change of € 53,491 thousand was due to the fluctuation of the exchange rate of the US dollar vis-à-vis the Euro.

Reserve for treasury shares

At December 31, 2023, the reserve for treasury shares amounted to € 296,797 thousand (€ 281,277 thousand at December 31, 2022). This reserve was established pursuant to law (Article 2357 *ter* of the Italian Civil Code). In 2023, the change in the reserve was due to the purchase of treasury shares for € 28,689 thousand, net of the exercise of 132,781 total options relating to the 2017 Stock Option Plan (5,000 options) and to the 2018 Stock Option Plan (127,781 options), for a total amount of € 11,515 thousand.

Stock option reserve

The balance in the stock option reserve, which amounted to € 32,240 thousand (€ 25,444 thousand at December 31, 2022) refers to the stock option plans in effect at December 31, 2023 (see Note 29).

The increase (€ 6,796 thousand) was due to the recognition of the overall cost posted and recognized in the income statement as labor costs included in general and administrative expenses, whilst the decrease was due to the options lost or exercised.

Gains/Losses on remeasurement of defined-benefit plans

At December 31, 2023, this item was negative by € 6,139 thousand (negative by € 3,513 thousand at December 31, 2022). The change, equal to € 2,626 thousand, was due to the recognition of net profits determined in the actuarial valuation of the Group's defined-benefit plans.

Retained earnings

Retained earnings amounted to € 1,290,099 thousand (€ 1,108,062 thousand at December 31, 2022). The change of € 182,037 thousand compared to December 31, 2022, is the net result of:

- appropriation of the consolidated net profit earned by the Group in 2022 (€ 240,907 thousand);
- distribution of ordinary dividends equal to € 58,967 thousand approved on April 28, 2023 by the Ordinary Shareholders' Meeting (equal to € 1.10 per share).

IFRS transition reserve

The IFRS transition reserve was established on January 1, 2005, upon first-time adoption of the IFRSs as an offset to the adjustments recognized to make the financial statements prepared in accordance with Italian accounting standards consistent with IFRS requirements, net of the applicable tax effect (as required by and in accordance with IFRS 1). This reserve has not changed since its establishment.

Other reserves

The item, negative by € 87,331 thousand, posted a negative change of € 32,101 thousand compared to December 31, 2022, due to the purchase of treasury shares, amounting to € 16,881 thousand and to the equity component relating to the cash flow hedge reserve, equal to € 17,549 thousand.

Reconciliation of the net result and shareholders' equity of the Group's Parent Company to the corresponding consolidated data

The table below shows a reconciliation of the net profit and shareholders' equity of the Group's Parent Company at December 31, 2023:

(in € thousands)	**Net profit at 2023**	**Shareholders' equity at 12/31/2023**
Amount in the financial statements of the Parent Company Diasorin S.p.A.	**28,279**	**458,936**
Difference between the carrying amount of equity investments and the value of the underlying shareholders' equity	-	1,095,440
Profits/(Losses) of consolidated companies	181,376	-
Elimination of unrealized intra-Group profits, net of the applicable tax effect	15,221	(16,408)
Elimination of intra-Group dividends	(66,368)	-
Amount in the consolidated financial statements	**158,508**	**1,537,968**

22. Financial Assets and Liabilities

Payables for financial liabilities amounted to € 1,192,654 thousand at December 31, 2023 as against financial assets amounting to € 135,966 thousand, broken down as follows (amounts in thousands):

Type of financial liability	Current portion	Non-current portion	*Due beyond 1 year and within 5 years*	*Due beyond 5 years*	Total
Term Loan granted to Diasorin Inc.	46,303	563,119	563,119	-	609,421
Convertible Bonds issued by Diasorin S.p.A.	-	457,797	457,797	-	457,797
IFRS 16 lease payables	8,910	62,090	30,797	31,293	71,001
Revolving Credit Facility granted to DiaSorin S.p.A. and Diasorin China Ltd	54,435	-	-	-	54,435
Total financial liabilities	**109,649**	**1,083,005**	**1,051,712**	**31,293**	**1,192,654**
Hedging derivatives	24,575	12,891	12,891	-	37,466
Diasorin Inc. cash investments	98,437	-	-	-	98,437
Other financial derivatives	64				64
Total financial assets	**123,075**	**12,891**	**12,891**	**-**	**135,966**
Total financial assets/liabilities	**(13,427)**	**1,070,114**	**1,038,821**	**31,293**	**1,056,688**

The table below lists the changes that occurred in the financing facilities that were outstanding at December 31, 2023 compared to December 31, 2022 (amounts in thousands of euros):

Type of financial liability	At December 31, 2022	Increases	Repayments	Interests accrued and amortized cost	Translation differences and other movements	At December 31, 2023
Term Loan granted to Diasorin Inc.	794,276	-	(175,400)	14,701	(24,156)	609,421
Convertible Bonds issued by Diasorin S.p.A.	448,565	-	-	9,232	-	457,797
IFRS 16 lease payables	69,503	15,947	(12,765)	-	(1,685)	71,001
Revolving Credit Facility granted to Diasorin S.p.A. and Diasorin China Ltd	39,642	15,034		-	(240)	54,435
Total financial liabilities	**1,351,985**	**30,981**	**(188,165)**	**23,933**	**(26,081)**	**1,192,654**
Hedging derivatives	60,798	(21,684)	-	-	(1,648)	37,466
Cash investments	142,409	-	(40,599)	-	(3,374)	98,437
Other current financial liabilities	391	-	(327)	-	-	64
Total financial assets	**203,598**	**(21,684)**	**(40,926)**	**-**	**(5,022)**	**135,966**
Total net financial liabilities	**1,148,387**	**52,665**	**(147,239)**	**23,933**	**(21,059)**	**1,056,688**

Compared to the balance at December 31, 2022, financial liabilities include the repayment of a principal of USD 175,000,000 related to the “Term Loan”, in addition to € 13,558 thousand in interest payment.

Interest accrues on the amount financed at an annual rate equal to the SOFR plus a variable spread according to the value of the ratio between consolidated net financial debt and consolidated EBITDA, as contractually defined. The Financing Agreement contains commitments that are customary for agreements of a similar type and size, such a guarantee and disclosure obligations, negative pledge and events of default clauses, and compliance with certain financial ratio that at December 31, 2023, complied with the requirement set. This liability is measured at amortized cost and at December 31, 2023 amounted to € 609,421 thousand.

At December 31, 2023 the Company used € 45,000 thousand of the Revolving credit facility due 2025 and signed in 2022 by Diasorin S.p.A. for an amount equal to € 150,000 thousand. In 2023, the Chinese subsidiary was granted a line of credit and used € 9,643 thousand of this line at December 31, 2023.

The Group used part of the liquidity denominated in U.S. dollars for short-term liquidity management tools (time deposits). At December 31, 2023, the value of these tools was € 98,437 thousand.

The item "hedging derivatives" includes the Fair Value of the IRS (Interest Rate Swap) hedging fluctuations of interest rates on the Term Loan, for an amount equal to € 37,466 thousand, decreasing by € 23,332 thousand compared to December 31, 2022.

At December 31, 2023, IFRS 16 lease payables were € 71,001 thousand; additional details on the amount of related right-of-use assets are provided in Note 11.

As required by IAS 7, the following table (expressed in € thousands) provides a breakdown of financial liabilities: the flows shown are future cash flows determined on the basis of residual contractual maturities for both principal and interest.

Lender	**At December 31, 2023**	**1 year**	**2 - 5 years**	**> 5 years**	**Total**
Term Loan granted to Diasorin Inc.	609,421	60,231	592,643	-	652,873
Convertible Bonds issued by Diasorin S.p.A.	457,797	-	500,000	-	500,000
Revolving Credit Facility granted to Diasorin S.p.A. and to Diasorin China Ltd	54,435	54,608	-	-	54,608
IFRS 16 lease payables	71,001	11,419	46,860	24,214	82,492
Total financial liabilities	**1,192,654**	**126,257**	**1,139,502**	**24,214**	**1,289,972**

23. Provision for employee severance indemnities

The balance in this account reflects all of the Company's pension plan obligations, other post-employment benefits and benefits payable to employees when certain requirements are met. The Company provides post-employment benefits to its employees through defined-contribution and/or defined-benefit plans.

The manner in which these benefits are provided varies depending on the applicable statutory, tax-related and economic conditions in the countries where Group companies operate. As a rule, benefits are based on each employee's level of compensation and years of service.

Defined-contribution plans

Certain Group companies pay contributions to private funds or insurance companies pursuant to a statutory or contractual obligation or on a voluntary basis. With the payment of these contributions, the companies in question absolve all of their obligations. The liability for contributions payable is included under "Other current liabilities". The cost attributable to each year, which accrues based on the services provided by employees, is recognized as a "Labor cost" of the relevant organizational unit.

In 2023, this cost amounted to € 12,819 thousand.

Defined benefit plans

The Group's pension plans that qualify as defined-benefit plans include the provisions for employee severance indemnities in Italy, the Alecta system in Sweden and the U-Kasse pension plan and Direct Covenant system in Germany.

The liability owed under these plans is recognized at its actuarial value using the projected unit credit method; actuarial gains and losses resulting from the determination of these liabilities are credited or charged to equity in the statement of comprehensive income in the year in which they arise.

Other employee benefits

The Company also provides its employees with additional long-term benefits, which are paid when employees reach a predetermined length of service. In these cases, the value of the liability recognized in the financial statements reflects the probability that these benefits will be paid and the length of time for which they will be paid. The liability owed under this plan is recognized at its actuarial value using the projected unit credit method.

Starting from 2019, a 2019-2022 four-year plan ("LTI Plan") was implemented in favor of seven key executives of the Parent Company, including the Strategic Executives. The LTI Plan was adopted with the aim of their retention, as well as rewarding the achievement of important medium/long- term business targets in accordance with the Diasorin Group growth strategy. The LTI Plan envisages a stock option plan (the 2018 Plan, as described in Note 29) and a target cash bonus (totaling € 7 million gross) tied to the achievement of a specific objective. Upon achieving the target objective, the cash bonus was paid to each beneficiary in April 2023, following the approval of the 2022 consolidated financial statements.

Please note that any resulting actuarial gains or losses recorded on the basis of these employees' benefits are recognized in the income statement. Gains recognized in 2023 were € 89 thousand (gains of € 236 thousand in 2022).

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

(in € thousands)	**12/31/2023**	**12/31/2022**	**Change**
Employee benefits			
provided in:			
- Italy	3,957	7,092	(3,135)
- Germany	25,741	21,752	3,989
- Sweden	1,778	1,650	128
- Other countries	837	1,987	(1,150)
Total employee benefits	**32,314**	**32,481**	**(168)**
broken down as follows:			
- Defined-benefit plans			
Employee's severance indemnities	*2,363*	*2,466*	*(103)*
Other defined-benefit plans	*28,222*	*24,230*	*3,992*
	30,585	26,696	3,889
- Other long-term benefits	1,729	5,785	(4,056)
Total employee benefits	**32,314**	**32,481**	**(167)**

The table below shows the main changes that occurred in the Group's employee benefit plans compared with December 31, 2022:

(in € thousands)	Defined-benefit plans	Other benefits	Total employee benefits
Balance at 12/31/2022	**26,696**	**5,785**	**32,481**
Interest cost	1,025	41	1,066
Actuarial losses/(gains) recognized in income statement	-	89	89
Actuarial losses/(gains) from financial assumptions	2,206	-	2,206
Actuarial losses/(gains) from demographic changes	14	-	14
Actuarial losses/(gains) from experience	1,428	-	1,428
Current service cost	776	101	877
Benefits paid	(1,512)	(4,352)	(5,864)
Translation differences and other changes	8	9	17
Balance at 12/31/2023	**30,585**	**1,729**	**32,314**

The main changes with regard to the provision for employee benefits include actuarial profits recognized in the comprehensive income statement (€ 3,648 thousand, gross of the tax effect) and contributions paid (€ 5,864 thousand). The net amount recognized in the 2023 income statement for employee benefits was an expense of € 2,032 thousand (€ 2,609 thousand in 2022).

Actuarial losses/(gains) arising from other employee benefits and current service cost are recognized in the income statement as part of labor costs, allocated to the area to which they correspond. Interest expense is recognized in the income statement as part of "Financial income/(expense)" (see Note 7).

Actuarial losses/(gains) on defined-benefit plans are credited or charged to equity in the statement of comprehensive income in the period in which they arise.

The table below lists the main assumptions used for actuarial computation purposes in the defined benefit plans:

	Pension plans	
	12/31/2023	**12/31/2022**
Discount rate	3.49%	3.68%
Projected wage increases	2.87%	2.90%
Inflation rate	2.00%	2.51%
Average employee turnover rate	4.03%	6.75%

A sensitivity analysis of changes in the main assumptions used for actuarial computation purposes is set out below:

(in € thousands)		Provision of employee severance indemnities	Other defined-benefit plans
Discount rate			
	1% Increase	(134)	(3,520)
	1% Decrease	148	4,435
Projected wage increases			
	1% Increase	-	-
	1% Decrease	-	-
Inflation rate			
	Increase 1%	91	1,332
	1% Decrease	(86)	(1,311)
Average employee turnover rate			
	10% Increase	2	-
	10% Decrease	(2)	-

(*) The sensitivity analysis concerning provision of employee severance indemnities takes into account changes in the discount rate, projected wage increase and inflation rate up or down by 0.5%.

24. Provisions for risks and charges

The item amounted to € 27,700 thousand at December 31, 2023 (€ 30,272 thousand at December 31, 2022) and refer to provisions set aside for pending disputes, risks considered as likely, and provisions for employee severance indemnities.

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

(in € thousands)	**12/31/2023**	**12/31/2022**
Opening balance	**30,272**	**25,392**
Provisions for the period	997	4,863
Utilizations of /Reversals for the period	(2,616)	(105)
Translation differences and other changes	(953)	122
Closing balance	**27,700**	**30,272**

In 2023, reversals refer to the revision of an estimate relating to a litigation, for which the Company is expecting a favorable outcome.

25. Other non-current liabilities

Other non-current liabilities totaled € 10,740 thousand at December 31, 2023, down from the previous year (€ 17,287 thousand at December 31, 2022). The item includes the recognition of a liability, equal to € 5,011 thousand related to the appreciation of a long-term debt arising from put/call option rights under the Joint Venture agreement signed with partners of the Chinese investee company, recognized according to IAS 32 and IFRS 9 accounting standards. Specifically, the Joint Venture agreement contains an obligation for the Group to purchase its own equity instruments for cash or other financial asset and gives rise to a financial liability for the present value of the redemption amount. Liability was initially recognized at the present value of the exercise price estimated at € 6,107 thousand and subsequent changes recognized with the offsetting entries posted to the Group's shareholders' equity. Reference is made to note "21. Shareholders' equity".

26. Trade payables

At December 31, 2023, trade payables, which totaled € 100,706 thousand (€ 104,204 thousand at December 31, 2022) represent amounts owed to external suppliers for the purchase of goods and services. The decrease of € 3,498 thousand refers mainly to Diasorin Italia S.p.A. and to the Group's Parent company. There are no amounts due beyond the year.

27. Other current liabilities

Other current liabilities of € 100,364 thousand at December 31, 2023 (€ 103,304 thousand at December 31, 2022) consist mainly of amounts owed to employees for additional monthly payments to be paid, equal to € 44,373 thousand (€ 47,512 thousand at December 31, 2022), accruals and deferred charges (contract obligations) amounting to € 16,949 thousand (€ 15,673 thousand at December 31, 2022), and contributions payable to social security and health benefit institutions for a total of € 4,842 thousand (€ 4,493 thousand At December 31, 2022).

28. Income taxes payable

The balance of € 9,399 thousand at December 31, 2023 (€ 13,786 thousand at December 31, 2022) represents the income tax liability for the profit earned in the period, net of tax payments made, and amounts owed for other indirect taxes and fees. The analysis of income taxes is provided in Note 9.

29. Commitment and contingent liabilities

Guarantees provided

At December 31, 2023, the guarantees that the Group provided to third parties totaled € 24,146 thousand and include bank sureties in connection with the submission of bids in response to public calls for tenders (€ 21,365 thousand), defined-contribution pension plans held by the Swedish subsidiary (€ 1,778 thousand).

Significant commitments and contractual obligations

Significant contractual obligations include the agreements executed by the Parent company Diasorin S.p.A. with Stratec in connection with the development and production of LIAISON XL and the new LIAISON XS analyzers. The supply contract calls for Stratec to manufacture and supply the analyzers exclusively to Diasorin. The Group has agreed to purchase a minimum number of instruments. However, the projected commitment is deemed to be significantly lower than the normal level of capital investment that would be required for current or future equipment production. As a result, net invested capital is not expected to undergo significant structural changes in the future as a result of this commitment.

Contingent liabilities

The Diasorin Group operates globally. As a result, it is exposed to the risks that arise from the complex laws and regulations that apply to its commercial and manufacturing activities.

The Group believes that the amounts set aside for pending legal disputes in the corresponding provision for risks are adequate.

30. Stock option plans and Equity Awards

2016 Plan

On April 28, 2016, the Ordinary Shareholders' Meeting approved the 2016 Stock Option Plan for senior executives and key employees of Diasorin S.p.A. and its subsidiaries.

The Board of Directors approved an initial tranche of beneficiaries with a grant of 130,000 options by a resolution dated May 16, 2016, a second tranche with a grant of 20,000 options by a resolution dated August 4, 2016, a third tranche with a grant of 40,000 options by a resolution dated December 19, 2016, a fourth tranche with a grant of 40,000 options by a resolution dated August 3, 2017, a fifth tranche with a grant of 25,000 options by a resolution dated March 7, 2018, a sixth tranche with a grant of 20,000 options by a resolution dated November 7, 2018 and a seventh tranche with a grant of 25,000 by a resolution dated March 14, 2019.

Please note that, due some "bad leaver" and "good leaver" events, 104,849 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous Beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 250,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2016 Plan.

On May 12, 2016, the company announced the start of the treasury shares buy-back plan to service the Stock Option Plan, under the terms and conditions authorized by the Shareholders' Meeting of April 28, 2016.

The program was completed on June 9, 2016, resulting in the purchase of 250,000 common shares (equal to 0.44% of the share capital). The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the Diasorin common shares for the stock market trading session preceding each purchase.

At December 31, 2023, stock options amounted to 16,699. No stock option was exercised in 2023.

As detailed

2016 Plan	Grant date	Number of outstanding options	Exercise year
I Tranche	May 16, 2016	46,218	2019
II Tranche	August 4, 2016	20,000	2019
III Tranche	December 19, 2016	23,000	2019
III Tranche	December 19, 2016	2,000	2020
IV Tranche	August 3, 2017	40,000	2020
V Tranche	March 7, 2018	14,234	2021
V Tranche	March 7, 2018	4,699	
VI Tranche	November 7, 2018	13,000	2021
VI Tranche	November 7, 2018	2,000	
VII Tranche	March 14, 2019	15,000	2022
VII Tranche	March 14, 2019	10,000	
Total		**195,151**	

2017 Plan

On April 27, 2017, the Ordinary Shareholders' Meeting approved the 2017 Stock Option Plan for senior executives and key employees of Diasorin S.p.A. and its subsidiaries.

The Board of Directors approved a first tranche of beneficiaries with a grant of 170,000 options by a resolution dated November 9, 2017, a second tranche with a grant of 10,000 options by a resolution dated March 7, 2018, a third tranche with a grant of 40,000 options by a resolution dated May 8, 2018, a fourth tranche with a grant of 15,000 options by a resolution dated November 7, 2018, a fifth tranche with a grant of 10,000 options by a resolution dated March 14, 2019, a sixth tranche with a grant of 10,000 options by a resolution dated June 10, 2019, a seventh tranche with a grant of 65,000 options by a resolution dated July 31, 2019, an eighth tranche with a grant of 45,000 options by a resolution dated November 6, 2019, a ninth tranche with a grant of 30,000 options by a resolution dated 19 December, 2019, a tenth tranche with a grant of 5,000 options by a resolution dated March 11, 2020, an eleventh tranche with a grant of 20,000 options by a resolution dated May 13, 2020 and a twelfth tranche with a grant of 56,122 options by a resolution dated July 30, 2020.

Please note that, due some "bad leaver" and "good leaver" events, 82,752 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 450,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2017 Plan.

The Shareholders' Meeting of April 27, 2017 resolved to authorize, pursuant to and for the purposes of Article 2357 of the Italian Civil Code, the purchase, in one or more installments and for a period of 18 months from the date of the resolution, the purchase of up to 450,000 common shares to service the new 2017 Stock Option Plan. The program was implemented in April 2018 with the purchase of 100,000 common shares (equal to 0.18% of the share capital) and continued throughout 2020 along with the 2019 Stock Option Plan, ended on October 23, 2020.

The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the Diasorin common shares for the stock market trading session preceding each purchase.

At December 31, 2023, stock options amounted to 151,992, following the exercise of 5,000 stock options on February 22, 2023 at an average exercise price of € 82.4239 and 4,632 stock options reaching their expiry date on December 20, 2023.

During the abovementioned period, the average price of the Diasorin shares was € 114,36.

2017 Plan	Grant date	Number of outstanding options	Exercise year
I Tranche	November 9, 2017	82,000	2020
I Tranche	November 9, 2017	61,878	2021
II Tranche	March 7, 2018	10,000	2022
III Tranche	May 8, 2018	40,000	2021
IV Tranche	November 7, 2018	10,000	2021
IV Tranche	November 7, 2018	5,000	2023
V Tranche	March 14, 2019	10,000	2022
VI Tranche	June 10, 2019	5,000	2022
VI Tranche	June 10, 2019	5,000	
VII Tranche	July 31, 2019	12,500	2022
VII Tranche	July 31, 2019	52,500	
VIII Tranche	November 6, 2019	5,000	2022
VIII Tranche	November 6, 2019	25,000	
IX Tranche	December 19, 2019	15,000	
X Tranche	March 11, 2020	5,000	
XI Tranche	May 13, 2020	20,000	
XII Tranche	July 30, 2020	29,492	
Total		**393,370**	

2018 Plan

On April 23, 2018, the Ordinary Shareholders' Meeting approved the 2018 Stock Option Plan for senior executives and key employees of Diasorin S.p.A. and its subsidiaries.

The Board of Directors approved an initial tranche of beneficiaries with a grant of 675,000 options by a resolution dated May 8, 2018

Please note that, due some "bad leaver" and "good leaver" events, 12,219 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 675,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2018 Plan.

On May 3, 2018, the company announced the start of the treasury shares buy-back plan to service the 2018 Stock Option Plan, under the terms and conditions authorized by the Shareholders' Meeting of April 23, 2018. The program was completed on July 4, 2018, resulting in the purchase of 675,000 common shares (equal to 1.21% of the share capital). The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the Diasorin common shares for the stock market trading session preceding each purchase.

At December 31, 2023, stock options amounted to 535,000, all referred to the grant on May 8, 2018, following 7,001 options being exercised on December 7, 2023, at an average exercise price of € 76.24, and 20,780 options being exercised on December 8, 2023, at an average exercise price of € 76.24, and 58,203 options being exercised on December 19, 2023 at an average exercise price of € 76.24 and 41,797 options being exercised on December 20, 2023 at an average exercise price of € 76.24. During the abovementioned period, the average price of the Diasorin shares was € 91.06.

2019 Plan

On April 24, 2019, the Ordinary Shareholders' Meeting approved the 2019 Stock Option Plan for senior executives and key employees of Diasorin S.p.A. and its subsidiaries.

The Board of Directors approved a first tranche of beneficiaries with a grant of 8,878 options by a resolution dated July 30, 2020, a second tranche with a grant of 91,122 options by a resolution dated November 11, 2020, and a third tranche with a grant of 5,000 options by a resolution dated November 11, 2021.

Please note that, due some "bad leaver" and "good leaver" events, 5,000 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 100,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2019 Plan.

On June 17, 2020, the company announced the start of the treasury shares buy-back plan to service the 2019 Stock Option Plan, under the conditions and terms authorized by the Shareholders' Meeting of April 24, 2019. The program was completed on October 23, 2020, resulting in the purchase of 192,511 common shares (equal to 0.3441% of the share capital), partly to serve the 2017 Stock Option Plan. The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the Diasorin common shares for the stock market trading session preceding each purchase.

At December 31, 2023, stock options amounted to 100,000.

As detailed:

2019 Plan	Grant date	Number of outstanding options
I Tranche	July 30, 2020	8,878
II Tranche	November 11, 2020	86,122
III Tranche	November 11, 2021	5,000
Total		**100,000**

2020 Plan

On June 10, 2020, the Ordinary Shareholders' Meeting approved the 2020 Stock Option Plan for senior executives and key employees of Diasorin S.p.A. and its subsidiaries.

The Board of Directors approved an initial tranche of beneficiaries with a grant of 18,878 options by a resolution dated November 11, 2020, a second tranche of beneficiaries with a grant of 15,000 options by a resolution dated December 21, 2020, a third tranche of beneficiaries with a grant of 60,000 options by a resolution dated March 11, 2021, a fourth tranche of beneficiaries with a grant of 5,000 options by a resolution dated May 14, 2021, a fifth tranche with a grant of 40,000 options by a resolution dated July 30, 2021, a sixth tranche with a grant of 11,122 options by a resolution dated November 11, 2021 and a seventh tranche with a grant of 3,654 options by a resolution dated December 1, 2022.

Please note that, due some "bad leaver" and "good leaver" events 19,193 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 150,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2020 Plan.

On April 6, 2021, the company announced the start of the treasury shares buy-back plan to service the Stock Option Plan of the company, under the conditions and terms authorized by the Shareholders' Meeting of April 10, 2020. The program was completed on November 2, 2020, resulting in the purchase of 100,000 common shares (equal to 0.1718% of the share capital). The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the Diasorin common shares for the stock market trading session preceding each purchase.

At December 31, 2023, stock options amounted to 134,461.

As detailed:

2020 Plan	Grant date	Number of outstanding options
I Tranche	November 11, 2020	18,878
II Tranche	December 21, 2020	15,000
III Tranche	March 11, 2021	45,807
V Tranche	July 30, 2021	40,000
VI Tranche	November 11, 2021	11,122
VII Tranche	December 1, 2022	3,654
Total		**134,461**

2021 Plan

On April 22, 2021, the Ordinary Shareholders' Meeting approved the 2021 Stock Option Plan for senior executives and key employees of Diasorin S.p.A. and its subsidiaries.

The Board of Directors approved a first tranche of beneficiaries with a grant of 48,878 options by a resolution dated November 11, 2021, a second tranche of beneficiaries with a grant of 50,000 options by a resolution dated May 6, 2022, a third tranche of beneficiaries with a grant of 36,346 options by a resolution dated December 1, 2022 and a fourth tranche of beneficiaries with a grant of 168,563 options by a resolution dated 9 May, 2023.

Please note that, due some “bad leaver” and “good leaver” events, 3,787 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 300,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2021 Plan.

The Shareholders' Meeting of April 22, 2021, resolved to authorize, pursuant to and for the purposes of Article 2357 of the Italian Civil Code, the purchase, in one or more installments and for a period of 18 months from the date of the resolution, the purchase of up to 300,000 common shares (equal to 0.536% of the share capital), to service the new 2021 Stock Option Plan.

At December 31, 2023, stock options amounted to 300,000, as detailed:

2021 Plan	Grant date	Number of outstanding options
I Tranche	November 11, 2021	45,091
II Tranche	May 6, 2022	50,000
III Tranche	December 1, 2022	36,346
IV Tranche	May 9, 2023	168,563
Total		**300,000**

2023 Plan

On April 28, 2023 the Ordinary Shareholders' Meeting approved the 2023 Stock Option for senior executives and key employees of Diasorin S.p.A. and its subsidiaries.

The Board of Directors approved a first tranche of beneficiaries with a grant of 301,437 options by a resolution dated May 9, 2023.

These free option grants convey to the beneficiaries the right to acquire up to 301,437 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2023 Plan.

On June 9, 2023, the company announced the start of the treasury shares buy-back plan to service the 2023 Stock Option Plan of the company, under the conditions and terms authorized by the Shareholders' Meeting of April 28, 2023. The program was completed on July 4, 2023 resulting in the purchase of 300,000 common shares (equal to 0.54% of the share capital). The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the Diasorin common shares for the stock market trading session preceding each purchase.

At December 31, 2023, stock options amounted to 301,437, all referred to the grant on May 9, 2023.

2022 and 2023 Equity Awards Plans

On April 29, 2022, the Ordinary Shareholders' Meeting approved a new incentive and loyalty Plan called "Equity Awards Plan" for the managers of Diasorin S.p.A. and the other Diasorin Group's companies. The Plan is implemented through the free assignment of rights which, if accrued upon the fulfilment of the conditions, grant the right to receive – without consideration- ordinary treasury shares in the Company's portfolio, at a ratio of 1 share for each right accrued. In May 2022, the list of beneficiaries was approved and 53,478 rights were granted to receive treasury shares and in May 2023, a second list of beneficiaries was approved and 75,595 rights were granted to receive treasury shares.

Valuation of stock options and equity awards

The stock options granted to Directors/employees are measured at their fair value on the grant date in accordance with the method provided in IFRS 2 and the total cost of the plan thus determined is allocated over the vesting period.

The fair value computation method uses a binomial model and is based on the following assumptions:

A – Exercise Price

The exercise price was determined in accordance with Article 6.2 of the Plan's Regulation.

B – Stock Price

The value assigned to the underlying instrument for stock option valuation purposes is the daily closing price for Diasorin shares on the grant date.

C – Expected Volatility

The expected volatility of the underlying instrument measures the expected fluctuations in price/value over a given period of time. The measure of volatility used in the option pricing model used is the annualized standard deviation of the continuously compounded rates of return on an equity security over a period of time.

D – Employee Exit Rate

This rate, which reflects the probability that Directors or employees who are the recipients of stock option grants will leave the Company before the vesting date, was deemed to be 0%.

E –Risk-Free Rate

IFRS 2 requires the use of a risk-free interest rate that will be valid over the expected life of the options, with the term expected life meaning the length of time between the grant date and the expected option exercise date.

F – Dividend Yield

The value of stock options is also affected by assumptions about the dividend yield, which is the annual dividend paid per share stated as a percentage of the share price.

The table below lists the input data used for stock option valuation purposes and the number of options exercisable at December 31, 2023:

2016 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.000000000	€ 52.54	€ 52.25	€ 1.00	30.00%	0.00%	0.46%	1.70%	05/16/2016	05/16/2019
II Tranche	3.002739726	€ 56.31	€ 57.80	€ 1.00	30.00%	0.00%	0.14%	1.70%	08/04/2016	08/05/2019
III Tranche	3.002739726	€ 51.84	€ 53.65	€ 1.00	30.00%	0.00%	0.38%	1.70%	12/19/2016	20/12/2019
IV Tranche	3.005479452	€ 69.63	€ 73.05	€ 1.00	23.00%	0.00%	0.14%	1.50%	08/03/2017	08/04/2020
V Tranche	3.005479452	€ 70.05	€ 70.60	€ 1.00	23.00%	0.00%	0.33%	1.50%	03/07/2018	03/08/2021
VI Tranche	3.005479452	€ 82.42	€ 81.60	€ 1.00	25.00%	0.00%	0.44%	1.50%	11/07/2018	11/08/2021
VII Tranche	3.005479452	€ 86.04	€ 85.80	€ 1.00	25.00%	0.00%	0.25%	1.50%	3/14/2019	3/15/2022

2017 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.005479452	€ 78.47	€ 72.05	€ 1.00	23.00%	0.00%	-0.07%	1.50%	11/09/2017	11/10/2020
II Tranche	3.005479452	€ 70.05	€ 70.60	€ 1.00	23.00%	0.00%	0.14%	1.50%	03/07/2018	03/08/2021
III Tranche	3.008219178	€ 76.24	€ 78.30	€ 1.00	23.00%	0.00%	0.18%	1.50%	05/08/2018	05/10/2021
IV Tranche	3.005479452	€ 82.42	€ 81.60	€ 1.00	25.00%	0.00%	0.24%	1.50%	11/07/2018	11/8/2021
V Tranche	3.005479452	€ 86.04	€ 85.80	€ 1.00	25.00%	0.00%	0.12%	1.50%	03/14/2019	3/15/2022
VI Tranche	3.010958904	€ 95.35	€ 102.00	€ 1.00	25.00%	0.00%	-0.02%	1.50%	06/10/2019	6/13/2022
VII Tranche	3.005479452	€ 102.62	€ 105.00	€ 1.00	25.00%	0.00%	-0.24%	1.50%	07/31/2019	8/01/2022
VIII Tranche	3.005479452	€ 99.60	€ 104.30	€ 1.00	25.00%	0.00%	-0.08%	1.50%	11/06/2019	11/7/2022
IX Tranche	3.005479452	€ 119.28	€ 117.60	€ 1.00	25.00%	0.00%	-0.06%	1.50%	12/19/2019	12/20/2022
X Tranche	3.005479452	€ 110.44	€ 113.00	€ 1.00	25.00%	0.00%	-0.01%	1.50%	03/11/2020	3/13/2023
XI Tranche	3.005479452	€ 156.44	€ 172.50	€ 1.00	28.00%	0.00%	0.32%	1.50%	05/13/2020	5/15/2023
XII Tranche	3.002739726	€ 173.28	€ 167.50	€ 1.00	30.00%	0.00%	-0.17%	1.00%	07/30/2020	7/31/2023

2018 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	4.657534247	€ 76.24	€ 78.30	€ 1.00	23.00%	0.00%	0.49%	1.50%	05/08/2018	01/02/2023

2019 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.002739726	€ 173.28	€ 167.50	€ 1.00	30.00%	0.00%	-0.17%	1.00%	7/30/2020	7/31/2023
II Tranche	3.005479452	€ 189.05	€ 172.40	€ 1.00	30.00%	0.00%	-0.29%	1.00%	11/11/2020	11/13/2023
III Tranche	3.005479452	€ 186.15	€ 185.00	€ 1.00	34.00%	0.00%	-0.18%	1.00%	11/11/2021	11/12/2024

2020 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.005479452	€ 189.05	€ 172.40	€ 1.00	30.00%	0.00%	-0.29%	1.00%	11/11/2020	11/13/2023
II Tranche	3.002739726	€ 169.95	€ 171.70	€ 1.00	30.00%	0.00%	-0.30%	1.00%	12/21/2020	12/22/2023
III Tranche	3.005479452	€ 168.46	€ 144.30	€ 1.00	30.00%	0.00%	-0.23%	1.00%	3/11/2021	3/12/2024
IV Tranche	3.005479452	€ 145.50	€ 138.00	€ 1.00	34.00%	0.00%	-0.19%	1.00%	5/14/2021	5/15/2024
V Tranche	3.005479452	€ 164.23	€ 171.15	€ 1.00	34.00%	0.00%	-0.35%	1.00%	7/30/2021	7/31/2024
VI Tranche	3.005479452	€ 186.15	€ 185.00	€ 1.00	34.00%	0.00%	-0.18%	1.00%	11/11/2021	11/12/2024
VII Tranche	3.005479452	€ 131.73	€ 131.75	€ 1.00	25.00%	0.00%	2.86%	1.00%	12/01/2022	12/02/2025

2021 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.005479452	€ 186.15	€ 185.00	€ 1.00	34.00%	0.00%	-0.18%	1.00%	11/11/2021	11/12/2024
II Tranche	3.005479452	€ 129.70	€ 119.59	€ 1.00	36.00%	0.00%	1.65%	1.00%	05/06/2022	05/07/2025
III Tranche	3.005479452	€ 131.73	€ 131.75	€ 1.00	25.00%	0.00%	2.86%	1.00%	12/01/2022	12/02/2025
IV Tranche	3.005479452	€ 98.52	€ 102.20	€ 1.00	25.00%	0.00%	3.07%	1.10%	05/09/2023	05/10/2026

2023 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.005479452	€ 98.52	€ 102.20	€ 1.00	25.00%	0.00%	3.07%	1.10%	05/09/2023	05/10/2026

2022 "Equity Awards" PLAN	Vesting Date	Stock price at the valuation date	Risk Free Rate	Volatility	Dividend Yield
I Tranche	05/19/2023	118.10	0.3602%	25%	1%
II Tranche	05/20/2024	118.10	1.0735%	25%	1%
III Tranche	05/20/2025	118.10	1.3851%	25%	1%
IV Tranche	05/20/2026	118.10	1.5244%	25%	1%

2023 "Equity Awards" PLAN	Vesting Date	Stock price at the valuation date	Risk Free Rate	Volatility	Dividend Yield
I Tranche	04/29/2024	98.48	3.7800%	25%	1.1%
II Tranche	04/28/2025	98.48	3.4767%	25%	1.1%
III Tranche	04/28/2026	98.48	3.2460%	25%	1.1%
IV Tranche	04/28/2027	98.48	3.1175%	25%	1.1%

Based on the assumptions described above, the fair value of the 2016 Plan is equal to € 2,422 thousand, with a vesting period that goes from May 16, 2016 to March 15, 2022. The fair value per option is as follows (amounts in €):

2016 PLAN	Number of options on the vesting date	Fair Value per option
V Tranche	4,699	13.30140
VI Tranche	2,000	16.34540
VII Tranche	10,000	17.16720

Based on the assumptions described above, the fair value of the 2017 Plan is equal to € 6,947 thousand, with a vesting period that goes from November 9, 2017 to July 31, 2023. The fair value per option is as follows (amounts in €):

2017 Plan	Number of options on the vesting date	Fair Value per option
VI Tranche	5,000	20.69650
VII Tranche	52,500	20.32530
VIII Tranche	25,000	20.97320
IX Tranche	15,000	22.79680
X Tranche	5,000	22.78360
XI Tranche	20,000	44.09502
XII Tranche	29,492	37.36410

Based on the assumptions described above, the fair value of the 2018 Plan is equal to € 9,922 thousand, with a vesting period that goes from May 8, 2018 to January 2, 2023. The fair value per option is as follows (amounts in €):

2018 PLAN	Number of options on the vesting date	Fair Value per option
I Tranche	535,000	14.97060

Based on the assumptions described above, the fair value of the 2019 Plan is equal to € 3,515 thousand, with a vesting period that goes from July 30, 2020 to November 12, 2024. The fair value per option is as follows (amounts in €):

2019 PLAN	Number of options on the vesting date	Fair Value per option
I Tranche	8,878	37.36410
II Tranche	86,122	34.17690
III Tranche	5,000	47.91980

Based on the assumptions described above, the fair value of the 2020 Plan is equal to € 5,153 thousand, with a vesting period that goes from November 11, 2020 to December 2, 2025. The fair value per option is as follows (amounts in €):

2020 PLAN	Number of options on the vesting date	Fair Value per option
I Tranche	18,878	34.17690
II Tranche	15,000	40.42982
III Tranche	45,807	26.48940
V Tranche	40,000	46.76244
VI Tranche	11,122	47.91980
VII Tranche	3,654	31.16386

Based on the assumptions described above, the fair value of the 2021 Plan is equal to € 8,757 thousand, with a vesting period that goes from November 11, 2021 to May 15, 2026. The fair value per option is as follows (amounts in €):

2021 PLAN	Number of options on the vesting date	Fair Value per option
I Tranche	45,091	47.91980
II Tranche	50,000	22.58670
III Tranche	36,346	31.16386
IV Tranche	168,563	25.71530

Based on the assumptions described above, the fair value of the 2023 is equal to € 7,752 thousand, with a vesting period that goes from May 9, 2023 to May 10, 2026. The fair value per option is as follows (amounts in €):

2023 PLAN	Number of options on the vesting date	Fair Value per option
I Tranche	301,437	25.71530

Based on the assumptions described above, the fair value of the "Equity Awards" Plan is equal to € 7,803 thousand, with a vesting period that goes from May 20, 2022 to April 28, 2027. The fair value per option is as follows (amounts in €):

2022 "Equity Awards" Plan	Number of options	Fair Value per option
I Tranche	10,237	117.02
II Tranche	8,190	115.99
III Tranche	6,552	114.99
IV Tranche	5,242	113.99

2023 "Equity Awards" Plan	Number of options	Fair Value per option
I Tranche	15,119	97.55
II Tranche	12,095	96.63
III Tranche	9,676	95.72
IV Tranche	7,741	94.81

The overall cost attributable to 2023, which amounted to € 10,382 thousand was recognized in the income statement as part of labor costs and general and administrative expenses, with the offsetting entries posted to shareholder's equity.

31. Related-party transactions

In the normal course of business, Diasorin S.p.A. engaged on a regular basis in commercial and financial transactions with its subsidiaries, which are also Group companies. These transactions, which are executed on standard market terms, consist of the supply of goods and services, including administrative, information technology, personnel management, technical support and consulting services, which produce receivables and payables at the end of the year, and financing and cash management transactions, which produce income and expenses.

These transactions are eliminated in the consolidation process and, consequently, are not discussed in this section of the Report.

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

The total amount owed to Group's Directors, Statutory Auditors and Strategic Executives is provided below (further information is provided in the Remuneration Report):

(in € thousands)	**2023**	**2022**
Directors and strategic executives	7,110	6,976
Other directors	1,050	1,034
Statutory Auditors	195	130
Total	**8,355**	**8,140**

The compensation payable to senior managers and eligible employees (key management) is consistent with standard market terms for compensation offered to employees with a similar status.

32. Significant events occurring after December 31, 2023 and business outlook

No significant events occurred after December 31, 2023.

With regard to Business outlook, please refer to the Report on Operations.

33. Significant non-recurring events and transactions

No significant non-recurring transactions occurred, pursuant to the ESMA Communication no 32-63-1186 of 29 October 2021.

34. Transactions resulting from atypical and/or unusual transactions

As required by Consob Communication No. DEM/6064296 of July 28, 2006, the Group did not execute atypical and/or unusual transactions, as defined in the abovementioned Communication, according to which atypical and/or unusual transactions are transactions that, because of their significance/material amount, type of counterpart, subject of the transaction, method of determining the transfer price and timing of the event (proximity to the end of a reporting period), could create doubts with regard to: the fairness/completeness of the financial statement disclosures, the existence of a conflict of interest, the safety of the corporate assets and the protection of minority shareholders.

35. Translation of financial statements of foreign companies

The table below lists the main exchange rates used to translate into euros the financial statements of foreign companies:

Currency	Average exchange rates			Exchange rates at		
	2023	2022	Change	12/31/2023	12/31/2022	Change
U.S. dollar	1.0813	1.0530	3%	1.1050	1.0666	4%
Brazilian real	5.4010	5.4399	-1%	5.3618	5.6386	-5%
British pound	0.8698	0.8528	2%	0.8691	0.8869	-2%
Swedish kronor	11.4788	10.6296	8%	11.0960	11.1218	0%
Swiss franc	0.9718	1.0047	-3%	0.9260	0.9847	-6%
Czech koruna	24.0043	24.5659	-2%	24.7240	24.1160	3%
Canadian dollar	1.4595	1.3695	7%	1.4642	1.4440	1%
Mexican peso	19.1830	21.1869	-9%	18.7231	20.8560	-10%
Israeli shekel	3.9880	3.5345	13%	3.9993	3.7554	6%
Chinese yuan	7.6600	7.0788	8%	7.8509	7.3582	7%
Australian dollar	1.6288	1.5167	7%	1.6263	1.5693	4%
South African rand	19.9551	17.2086	16%	20.3477	18.0986	12%
Norwegian krone	11.4248	10.1026	13%	11.2405	10.5138	7%
Polish Zloty	4.5420	4.6861	-3%	4.3395	4.6808	-7%
Indian Rupee	89.3001	82.6864	8%	91.9045	88.1710	4%
Singapore Dollar	1.4523	1.4512	0%	1.4591	1.4300	2%
UAE Dirham	3.9710	3.8673	3%	4.0581	3.9171	4%

36. Other information

Law no. 124 of 4 August 2017 (the Annual Market and Competition Law) defined that, as from 2019, companies receiving grants, financial support, remunerated duties and any kind of economic benefits from Public Administrations and similar bodies are required to publish such amounts in the Note to the financial statements and consolidated financial statements.

In 2023, the Group's Parent Diasorin SpA did not receive financial support or economic benefits from Public Administration in accordance with the aforementioned Law.

7. Annex I: List of equity investments with the supplemental disclosures required by CONSOB Communication no. DEM/6064293

	Head office location	Currency	Share Capital (*)	Net profit/(loss) for the year (*)	Shareholders' equity in the latest approved financial statements (*)	Par value per share	% interest held directly	Shares or partnership interest held
Equity investments consolidated line by line								
Diasorin Italia S.p.A.	Saluggia (Italy)	EUR	1,000,000	84,333,000	437,900,628	1	100%	1,000,000
DiaSorin S.A/N.V.	Bruxelles (Belgium)	EUR	1,674,000	2,357,699	8,497,402	6,696	100%	249
DiaSorin Ltda	Sao Paolo (Brazil)	BRL	65,547,409	7,473,010	39,261,630	1	100%	65,547,408
DiaSorin S.A.S. Unipersonnelle	Antony (France)	EUR	960,000	1,387,210	11,197,527	15,3	100%	62,493
DiaSorin Iberia S.A.	Madrid (Spain)	EUR	1,453,687	2,411,956	11,117,139	6,01	100%	241,877
DiaSorin Ltd	Dartford (United Kingdom)	GBP	500	3,116,711	1,755,904	1	100%	500
DiaSorin Inc.	Stillwater (United States)	USD	1	73,743,300	1,333,318,299	0,01	100%	100
DiaSorin Canada Inc	Mississauga (Canada)	CAD	200,000	531,200	2,547,100	N/A	0%	100 Class A common shares
DiaSorin Molecular LLC	Cypress (United States)	USD	100,000	24,738,444	294,897,800	100,000	0%	1
DiaSorin Mexico S.A de C.V.	Mexico City (Mexico)	MXP	63,768,473	13,374,600	61,086,192	1	100%	49,999
DiaSorin Deutschland GmbH	Dietzenbach (Germany)	EUR	275,000	(2,479,373)	5,129,296	275,000	100%	1
DiaSorin AB	Solna (Sweden)	SEK	5,000,000	10,793,863	39,255,628	100	100%	50,000
DiaSorin Ltd	Rosh HaAyin (Israel)	ILS	100	812,000	18,380,000	1	100%	100
DiaSorin Austria GmbH	Wien (Austria)	EUR	35,000	935,393	4,727,503	35,000	100%	1
DiaSorin Czech s.r.o.	Prague (Czech Republic)	CZK	200,000	4,586,000	88,430,000	200,000	100%	1
DiaSorin I.N. Limited	Dublin (Ireland)	EUR	1	3,604,740	9,952,862	0,01	100%	100
DiaSorin South Africa (PTY) Ltd	Sandton (South Africa)	ZAR	101	149,943	4,440,073	1	100%	101
DiaSorin Australia (Pty) Ltd	Sydney (Australia)	AUD	3,300,000	1,394,115	13,902,908	33,000	100%	100
DiaSorin Ltd	Shanghai (China)	RMB	22,000,000	(29,518,982)	11,625,081	1	76%	16,720,000
DiaSorin Switzerland AG	Rotkreuz (Switzerland)	CHF	100,000	1,499,903	2,035,482	100	100%	1,000
DiaSorin Poland sp. z o.o.	Warsaw (Poland)	PLN	550,000	-	13,819,542	50	100%	11,000
DiaSorin Healthcare India Private Limited	Mumbai (India)	INR	4,700,000	2,176,990	264,782,809	10	0%	1
DiaSorin APAC Pte. Ltd.	Singapore (Singapore)	EUR	1	114,928	388,704	N/A	100%	1
DiaSorin Middle East FZ-LLC	Dubai (UAE)	AED	50,000	141,470	180,232	1,000	100%	50
Luminex Corporation Inc.	Austin (United States)	USD	25,000	(18,506,280)	1,739,679,262	0.001	0%	25,000,000
Luminex 2 BV under liquidation	s'Hertogenbosch (Netherlands)	EUR	90,000	150,481	19,004,433	1	0%	90,000
Luminex Japan Ltd	Tokyo (Japan)	JPY	1	9,768,798	289,196,255	1	0%	1
Luminex Trading (Shanghai) Co. Ltd.	Shanghai (China)	RMB	455,219	2,830,621	12,763,288	N/A	0%	-
Luminex Hong Kong Co. Ltd.	Hong Kong (Hong Kong)	HKD	100	817,793	12,730,569	10	0%	10
Luminex Molecular Diagnostics, Inc.	Toronto (Canada)	CAD	10,000,000	21,249,006	127,134,017	N/A	0%	-
Nanosphere LLC	Wilmington (United States)	USD	1,000	-	-	0.001	0%	1,000,000
ChandlerTec LLC	Wilmington (United States)	USD	1,000	-	-	0.001	0%	1,000,000
Iris Biotech LLC	Wilmington (United States)	USD	1,000	-	-	0.001	0%	1,000,000
Amnis LLC	Wilmington (United States)	USD	1,000	-	-	0.001	0%	1,000,000
Equity investment valued at cost								
DiaSorin Deutschland Unterstuetzungskasse GmbH	Dietzenbach (Germany)	EUR	25,565	327,717	25,565	1	-	1

(*) Amounts stated in local currency

8. Annex II: Disclosure required pursuant to art. 149-duodecies CONSOB Issuers' Regulation

(in € thousands)	**Party providing the service**	**Recipients**	**Fee attributable to 2023**
Independent Auditing	PricewaterhouseCoopers S.p.A.	Parent Company Diasorin S.p.A.	535
	PricewaterhouseCoopers S.p.A.	Subsidiaries	105
	PwC Network	Subsidiaries	967
	Other	Subsidiaries	39
Other services	PricewaterhouseCoopers S.p.A.	Parent Company Diasorin S.p.A.	10
	PricewaterhouseCoopers S.p.A.	Subsidiaries	10
	PwC Network	Subsidiaries	367
Total			**2,033**

9. Certification of the Consolidated Financial Statement (pursuant to art. 81-ter of Consob Regulation no. 11971 of 14 May 1999, as amended)

We, the undersigned, Carlo Rosa, in my capacity as Chief Executive Officer, and Piergiorgio Pedron, in my capacity as Corporate Accounting Documents Officer, of the issuer Diasorin S.p.A.,

attest that,

insofar as the provisions of Article 154-*bis,* Sections 3 and 4, of Legislative Decree No. 58 of February 24, 1998 are concerned, the administrative and accounting procedures applied to prepare the 2023 statutory financial statements are:

a) adequate in light of the Company's characteristics; and

b) applied effectively.

2. Moreover, we attest that:

2.1 the statutory financial statements at December 31, 2023:

a) have been prepared in accordance with the applicable international accounting standards recognized by the European Union, pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council dated July 19, 2002;

b) are consistent with the data in the supporting documents and accounting records;

c) are suitable for the purpose of providing a truthful and fair representation of the balance sheet, operating performance and financial position of the issuer;

2.2 the Report on Operations provides a reliable analysis of the Group's performance and result from operations and of the status of the issuer, together with a description of the main risks and uncertainties to which they are exposed.

Saluggia, March 15, 2024

Signed

The Chief Executive Officer

Carlo Rosa

Corporate Accounting Documents Officer

Piergiorgio Pedron

10. Report of Independent Auditors

pwc

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of DiaSorin SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of DiaSorin Group (the Group), which comprise the consolidated statement of financial position as of 31 December 2023, the consolidated income statement, consolidated comprehensive income statement, statement of changes in consolidated shareholders' equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2023, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of DiaSorin SpA pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

www.pwc.com/it

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Valuation of goodwill and other intangible assets	
Note 12 - Goodwill and other intangible assets The carrying amount of goodwill reported in the consolidated financial statement is Euro 799,365 thousand and represents the 36% on total non-current assets. The carrying amount of other intangible assets reported in financial statements, which mainly relate to development costs, concessions, licenses and trademarks, customer relationship and industrial patents and intellectual property rights, is Euro 1,125,605 thousand and represents the 51% of total non-current assets. International financial reporting standards as adopted by European Union ("IFRS"), and in particular IAS 36 – Impairment of assets, state that an impairment test exercise shall be performed on a yearly basis for Goodwill and, in case of impairment indicators for intangible assets with a definite life, through the estimation of recoverable amounts. Recoverable amount, determined as the value in use, is equal to the present value of the future cash flows belonging to each Cash Generating Unit. Cash Generating Units identified by Group correspond to stand-alone subsidiaries or aggregations of them based on the geographic regions where they operate. Valuation of goodwill and other intangible assets is considered a key audit matter given the magnitude in the financial statements as well as the underlying estimation elements included in the assumptions developed by Directors on future forecasts, on the cash flows growth rate, included g-rate and on discount rates.	We performed an understanding of the process of preparing the cash flow projections and of the process of preparing and approving the annual impairment test. We analysed the estimated cash flow projections for the period 2024-2026, approved by the Board of Directors and used for the impairment tests of goodwill and other intangible assets, also through meetings with Directors who described the process to prepare the above projections. We compared the 2023 actual results with the expected figures included in the previous year impairment test and analysed main variances to assess the reliability of forecasts prepared by Directors. We verified the reasonableness of the process for identifying the Cash Generating Units, as well as the allocation to them of goodwill and other intangible assets. We analysed and understood the main assumptions underlying forecasted revenue and costs for Cash Generating Units as well as verified their reasonableness based on actual results, future strategic developments and expected market evolutions. We verified, through the involvement of valuation experts belonging to PwC network, the impairment test methodology, the mathematical accuracy of the model used, and the reasonableness of assumptions included, also in connection with the determination of the terminal value, including the g-rate, and the discount rate.

pwc

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
	We verified the sensitivity analysis in relation to the recoverability of the carrying amount of goodwill and other intangible assets considering possible changes in key assumptions such as the g-rate and discount rate. We verified the accuracy of assets and liabilities related to the Cash Generating Units, including the goodwill and other intangible assets allocated, which are compared to recoverable amount. We finally assessed the appropriateness and completeness of the financial statement's disclosure in particular with reference to the assumptions and the sensitivity analysis reported.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate DiaSorin SpA or to cease operations or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

pwc

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On 28 April 2016, the shareholders of DiaSorin SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2016 to 31 December 2024.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of DiaSorin SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the consolidated financial statements as of 31 December 2023, to be included in the annual report.

pwc

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements as of 31 December 2023 have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of DiaSorin SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the DiaSorin Group as of 31 December 2023, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the consolidated financial statements of the DiaSorin Group as of 31 December 2023 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of DiaSorin Group as of 31 December 2023 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Statement in accordance with article 4 of Consob's Regulation implementing Legislative Decree No. 254 of 30 December 2016

The directors of DiaSorin SpA are responsible for the preparation of the non-financial statement pursuant to Legislative Decree No. 254 of 30 December 2016.

We have verified that the directors approved the non-financial statement.

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016, the non-financial statement is the subject of a separate statement of compliance issued by us.

Milan, 2 April 2024

PricewaterhouseCoopers SpA

Signed by

Salvatore Savino
(Partner)

The accompanying consolidated financial statements of DiaSorin SpA constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Statutory Financial Statements of Diasorin S.p.A. at December 31, 2023

1. INCOME STATEMENT PURSUANT TO CONSOB RESOLUTION NO. 15519 OF JULY 27, 2006

(in € thousands)	**Notes**	**2023**	***amount with related parties***	**2022**	***amount with related parties***
Revenues	(1)	24,806	24,806	260,362	154,828
Cost of sales	(2)	-	-	(137,992)	(62,422)
Gross profit		**24,806**		**122,370**	
Sales and marketing expenses	(3)	(12,675)	(1,001)	(25,175)	(773)
Research and development costs	(4)	(4,003)	614	(15,107)	1,123
General and administrative expenses	(5)	(34,427)	(9,518)	(38,216)	(7,590)
Other operating income (expenses)	(6)	(9,913)	(2,868)	5,757	12,551
Non-recurring amount		(3,002)		(5,274)	
Operating result (*EBIT*)		**(36,212)**		**49,629**	
Financial income	(7)	74,250	(1,607)	10,092	1,303
Financial expense	(8)	(20,154)		(12,663)	
Result before taxes		**17,884**		**47,058**	
Income taxes	(9)	10,395		(9,272)	
Net result	(10)	**28,279**		**37,786**	

2. STATEMENT OF FINANCIAL POSITION PURSUANT TO CONSOB RESOLUTION NO.15519 OF JULY 27, 2006

(in € thousands)	**Notes**	**12/31/2023**	***amount with related parties***	**12/31/2022**	***amount with related parties***
ASSETS					
Non-current assets					
Property, plant and equipment	(11)	2,571		2,058	
Intangible assets	(12)	7,729		8,518	
Equity investments	(13)	988,912		1,006,932	
Deferred-tax assets	(14)	385		548	
Other non-current assets	(17)	404		529	
Other non-current financial assets	(16)	21,774	21,774	30,976	30,976
Total non-current assets		*1,021,775*		*1,049,561*	
Current assets					
Trade receivables	(15)	40,651	40,462	40,149	40,063
Financial receivables	(16)	15,645	15,645	13,811	13,811
Other current assets	(17)	33,305		41,154	
Other current financial assets	(20)	121		108	
Cash and cash equivalents	(18)	32,374		16,805	
Total current assets		*122,096*		*112,027*	
TOTAL ASSETS		**1,143,871**		**1,161,588**	

(in € thousands)	**Notes**	**12/31/2023**	***amount with related parties***	**12/31/2022**	***amount with related parties***
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity					
Share capital	(19)	55,948		55,948	
Additional paid-in capital	(19)	18,155		18,155	
Statutory reserve	(19)	11,190		11,190	
Other reserves and retained earnings	(19)	642,161		655,816	
Treasury shares	(19)	(296,797)		(281,277)	
Net profit for the year		28,279		37,786	
Total shareholders' equity		**458,936**		**497,619**	
Non-current liabilities					
Non-current financial liabilities	(20)	458,539	439	449,299	570
Provisions for employee benefits	(21)	782	-	3,348	2,608
Provisions for risks and charges	(22)	100		400	
Other non-current liabilities	(23)	1,282		1,190	
Total non-current liabilities		*460,703*		*454,237*	
Current liabilities					
Trade payables	(24)	12,274	5,506	16,619	8,366
Current financial liabilities	(20)	203,476	158,469	183,548	143,666
Other current financial liabilities	(25)	8,482	82	9,565	74
Total current liabilities		*224,232*		*209,732*	
TOTAL LIABILITIES		**684,935**		**663,969**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,143,871**		**1,161,588**	

3. STATEMENT OF CAHS FLOWS PURSUANT TO CONSOB RESOLUTION NO.15519 OF JULY 27, 2006

(in € thousands)	***notes***	**2023**	***amount with related parties***	**2022**	***amount with related parties***
Cash flow from operating activities					
Net profit for the year		28,279		37,786	
Adjustments for:					
- Income taxes	(9)	(10,395)		9,271	
- Depreciation and amortization	(11) (12)	2,142		13,871	
- Financial expense (income)	(7) (8)	(54,096)		2,571	
- Additions to/Utilizations of provisions for risks	(22)	-		400	
- (Gains)/Losses on sales of non-current assets		-		-	
- Additions to/ (Reversals of) provisions for employee severance indemnities and other benefits	(20)	1,419		2,046	
- Changes in shareholders' equity reserves:					
- Stock options reserve	(19)	5,407		4,951	
- Translation reserve on operating activities	(19)	-		(51)	
- Change in other non-current assets/liabilities	(17) (23)	(4,006)		(473)	-
Cash flow from operating activities before changes in working capital		**(31,250)**		**70,373**	
(Increase)/Decrease in current receivables	(15)	13,660	13,763	32,565	68,026
(Increase)/Decrease in inventories		-		(8,772)	
Increase/(Decrease) in trade payables	(24)	(4,345)	(2,860)	(20,367)	(24,179)
(Increase)/Decrease in other current items		15,510		(10,356)	
Cash from operating activities		**(6,425)**		**63,443**	
Income taxes paid		(25)		(54,834)	
Paid/ collected interests		(2,011)		(651)	
Net cash from operating activities		**(8,461)**		**7,957**	
Investments in intangibles	(12)	(864)		(7,339)	
Investments in property, plant and equipment	(11)	(1,395)		(8,192)	
Equity investments	(13)	-		-	
Dividends received	(7)	67,387	67,387	7,373	7,373
Divestments of tangible assets	(11) (12)	(10)		(280)	
Cash used in investing activities		**65,118**		**(8,438)**	
(Repayment of)/ Proceeds from loans and other financial liabilities	(20)	4,501		39,020	
(Increase)/Decrease) in financial items due to Group companies	(20)	31,816	31,816	59,256	59,256
(Purchase)/Sale of treasury shares, stock options exercise	(19)	(18,534)		(159,849)	
Dividend distribution	(19)	(58,870)		(57,052)	
Cash from financing activities		**(41,087)**		**(118,625)**	
Liquidity transferred to Diasorin S.p.A.		-		(10,535)	
Net change in cash and cash equivalents		**15,569**		**(129,641)**	
Cash and cash equivalents- Opening balance		**16,805**		**146,446**	
Cash and cash equivalents - Closing balance		**32,374**		**16,805**	

4. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in € thousands)	Share capital	Treasury shares	Additional paid-in capital	Statutory reserve	Stock option reserve	Reserve for treasury shares	Currency translation reserve	Other reserves and retained earnings	Net profit for the year	Group interest in Shareholder's equity
Shareholders' equity at 12/31/2021	**55,948**	**(120,022)**	**18,155**	**11,190**	**14,279**	**120,022**	**(220)**	**429,793**	**138,848**	**667,993**
Appropriation of previous year's profit	-	-	-	-	-	-	-	138,848	(138,848)	**-**
Dividend distribution	-	-	-	-	-	-	-	(57,316)	-	**(57,316)**
Stock options and other changes	-	-	-	-	8,126	-	-	958	-	**9,084**
Sale/(Purchase) of treasury shares	-	(161,255)	-	-	-	161,255	-	(159,849)	-	**(159,849)**
Profit for the year	-	-	-	-	-	-	-	-	37,786	**37,786**
Translation adjustment	-	-	-	-	-	-	(314)	-	-	**(314)**
Gains/(losses) on remeasurement of defined benefit plans, net of tax effects	-	-	-	-	-	-		235	-	**235**
Other changes in the comprehensive income statement	-	-	-	-	-	-	(314)	235	-	**(79)**
Comprehensive profit	-	-	-	-	-	-	(314)	235	37,786	**37,707**
Shareholders' equity at 12/31/2022	**55,948**	**(281,277)**	**18,155**	**11,190**	**22,405**	**281,277**	**(534)**	**352,669**	**37,786**	**497,619**
Appropriation of previous year's profit	-	-	-	-	-	-	-	37,786	(37,786)	**-**
Dividend distribution	-	-	-	-	-	-	-	(58,870)	-	**(58,870)**
Stock options and other changes	-	-	-	-	6,725	-	-	3,654	-	**10,379**
Sale/(Purchase) of treasury shares	-	(15,520)	-	-	-	15,520	-	(18,534)	-	**(18,534)**
Profit for the year	-	-	-	-	-	-	-	-	28,279	**28,279**
Translation adjustment	-	-	-	-	-		62	-	-	**62**
Gains/(losses) on remeasurement of defined benefit plans, net of tax effects	-	-	-	-	-	-		1	-	**1**
Other changes in the comprehensive income statement	-	-	-	-	-	-	62	1	-	**63**
Comprehensive profit	-	-	-	-	-	-	62	1	**28,279**	**28,342**
Shareholders' equity at 12/31/2023	**55,948**	**(296,797)**	**18,155**	**11,190**	**29,130**	**296,797**	**(472)**	**316,706**	**28,279**	**458,936**

5. INCOME STATEMENT

(in €)	**Note**	**2023**	**2022**
Revenues	(1)	24,805,892	260,361,588
Cost of sales	(2)	-	(137,991,836)
Gross profit		**24,805,892**	**122,369,752**
Sales and marketing expenses	(3)	(12,675,429)	(25,174,689)
Research and development costs	(4)	(4,002,866)	(15,107,200)
General and administrative expenses	(5)	(34,427,406)	(38,216,013)
Other operating income (expense)	(6)	(9,912,510)	5,757,094
Non-recurring amount	(6)	*(3,002,124)*	*(5,273,663)*
Operating result (*EBIT*)		**(36,212,319)**	**49,628,944**
Financial income	(7)	74,250,550	10,091,540
Financial expense	(8)	(20,154,418)	(12,662,832)
Result before taxes		**17,883,813**	**47,057,652**
Income taxes	(9)	10,394,691	(9,271,262)
Net result	(10)	**28,278,504**	**37,786,390**

6. COMPREHENSIVE INCOME STATEMENT

(in € thousands)	**2023**	**2022**
Net profit for the year (A)	**28,279**	**37,786**
Other comprehensive gains/(losses) that will not be reclassified in gain/loss of the period:		
Gains/(losses) on remeasurement of defined-benefit plans, net of tax effect	1	235
Total comprehensive gains/losses that will not be reclassified in gain/loss of the period (B1)	**1**	**235**
Other comprehensive gains/(losses) that will be reclassified in gain/loss of the period:		
Gains/(losses) from translation of financial statements of foreign branches	62	(314)
Total comprehensive gains/(losses) that will be reclassified in gain/loss of the period (B2)	**62**	**(314)**
TOTAL COMPREHENSIVE GAINS/(LOSSES), NET OF TAX EFFECT (B1) +(B2) =(B)	**63**	**(79)**
TOTAL COMPREHENSIVE GAINS/(LOSSES) (A)+(B)	**28,342**	**37,707**

7. STATEMENT OF FINANCIAL POSITION

(in €)	**Notes**	**12/31/2023**	**12/31/2022**
ASSETS			
Non-current assets			
Property, plant and equipment	(11)	2,570,823	2,057,758
Intangible assets	(12)	7,728,987	8,517,868
Equity investments	(13)	988,912,153	1,006,931,994
Deferred-tax assets	(14)	385,251	548,021
Other non-current assets	(17)	404,028	528,920
Other non-current financial assets	(16)	21,774,175	30,975,989
Total non-current assets		**1,021,775,417**	**1,049,560,550**
Current assets			
Trade receivables	(15)	188,573	86,258
Trade receivables from Group companies	(15)	40,461,669	40,062,981
Financial receivables owed by Group companies	(16)	15,645,447	13,811,091
Other current assets	(17)	33,305,071	41,154,283
Other current financial assets	(20)	121,369	107,894
Cash and cash equivalents	(18)	32,374,302	16,804,643
Total current assets		**122,096,431**	**112,027,150**
TOTAL ASSETS		**1,143,871,848**	**1,161,587,700**

(in €)	**Notes**	**12/31/2023**	**12/31/2022**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	(19)	55,948,257	55,948,257
Additional paid-in capital	(19)	18,155,103	18,155,103
Statutory reserve	(19)	11,189,651	11,189,651
Other reserves and retained earnings	(19)	642,160,512	655,816,369
Treasury shares	(19)	(296,797,061)	(281,276,951)
Net profit for the year		28,278,504	37,786,390
Total shareholders' equity		**458,934,966**	**497,618,819**
Non-current liabilities			
Non-current financial liabilities	(20)	458,100,155	448,728,775
Other non-current financial liabilities to Group companies	(20)	438,999	569,789
Provisions for employee benefits	(21)	781,851	3,347,601
Provisions for risks and charges	(22)	99,994	399,994
Other non-current liabilities	(23)	1,281,655	1,190,034
Total non-current liabilities		**460,702,654**	**454,236,193**
Current liabilities			
Trade payables	(24)	6,767,802	8,252,705
Trade payables to Group companies	(24)	5,505,983	8,366,283
Current financial liabilities	(20)	45,006,831	39,880,714
Financial liabilities owed to Group companies	(20)	158,468,902	143,666,310
Other current liabilities	(25)	8,484,710	9,566,676
Total current liabilities		**224,234,228**	**209,732,688**
TOTAL LIABILITIES		**684,936,882**	**663,968,881**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,143,871,848**	**1,161,587,700**

8. STATEMENT OF CASH FLOWS

(in € thousands)	***notes***	**2023**	**2022**
Cash flow from operating activities			
Net profit for the year		28,279	37,786
Adjustments for:			
- Income taxes	(9)	(10,395)	9,271
- Depreciation and amortization	(11) (12)	2,142	13,871
- Financial expense (income)	(7) (8)	(54,096)	2,571
- Additions to/ (Utilizations of) provisions for risks	(22)	-	400
- (Gains)/Losses on sales of non-current assets		-	-
- Additions to/ (Reversals of) provisions for employee severance indemnities and other employee benefits	(21)	1,419	2,046
- Changes in shareholders' equity reserves:			
- Stock options reserve	(19)	5,407	4,951
- Cumulative translation adjustment from operating activities	(19)	-	(51)
- Change in other non-current assets/liabilities	(17) (23)	(4,006)	(473)
Cash flow from operating activities before changes in working capital		**(31,250)**	**70,373**
(Increase)/Decrease in current receivables	(15)	13,660	32,565
(Increase)/Decrease in inventories		-	(8,772)
Increase/(Decrease) in trade payables	(24)	(4,345)	(20,367)
(Increase)/Decrease in other current items		15,510	(10,356)
Cash from operating activities		**(6,425)**	**63,443**
Income taxes paid		(25)	(54,834)
Paid/ collected interests		(2,011)	(651)
Net cash from operating activities		**(8,461)**	**7,957**
Investments in intangibles	(12)	(864)	(7,339)
Investments in property, plant and equipment	(11)	(1,395)	(8,192)
Equity investments	(13)	-	-
Dividends received	(7)	67,387	7,373
Divestments of tangible assets	(11) (12)	(10)	(280)
Cash used in investing activities		**65,118**	**(8,438)**
(Repayment of)/ Proceeds from loans and other financial liabilities	(20)	4,501	39,020
Increase/(Decrease) in financial items due to Group companies	(20)	31,816	59,256
(Purchase)/Sale of treasury shares, stock options exercise	(19)	(18,534)	(159,849)
Dividend distribution	(19)	(58,870)	(57,052)
Cash used in financing activities		**(41,087)**	**(118,625)**
Liquidity transferred to DiaSorin Italia S.p.A.		-	(10,535)
Net change in cash and cash equivalents		**15,569**	**(129,641)**
Cash and cash equivalents- Opening balance		**16,805**	**146,446**
Cash and cash equivalents -Closing balance		**32,374**	**16,805**

9. NOTES TO THE FINANCIAL STATEMENTS OF DIASORIN S.P.A. AT DECEMBER 31, 2023

General information

Background information

Diasorin S.p.A. (the "Company") is the Parent Company of the Diasorin Group, which is specialized in the development, production and distribution of immunodiagnostics and molecular diagnostics tests.

The Company has its headquarters in Via Crescentino (no building No.), Saluggia (VC).

The Company, owning controlling interest in other companies, which it carried at cost in its financial statements, has prepared the Group's Consolidated Financial Statements which provide exhaustive additional information about the balance sheet, financial position and income statement of the Company and the Group.

The income statement and the statement of financial position are presented in Euros, while the statement of cash flows, the statements of changes in shareholders' equity and the breakdown of total profit (loss) are presented in thousands of euros. The amounts that appear in the notes to the financial statements are also in thousands of euros.

On March 15, 2024, the Board of Directors authorized the publication of these financial statements.

Principles for the preparation of the statutory financial statements

The 2023 statutory financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs"), i.e. the "International Financial Reporting Standards", "International Accounting Standards" (IAS), the interpretations of the "International Reporting Interpretations Committee" (IFRIC), previously known as the "Standing Interpretations Committee" (SIC) which, at the closing date of the statutory financial statements, have been endorsed by the European Union according to the procedure laid down in Regulation (EC) no. 1606/2002 of the European Parliament and of the European Council of 19 July 2002, and the regulations enacted to implement Article 9 of Legislative Decree No. 38/2005.

The financial statements and the accompanying notes include the additional information that accounting schedules and other financial statement disclosures are required to provide pursuant to CONSOB Resolution No. 15519 of July 27, 2006 and the CONSOB Communication of July 28, 2006.

The financial statements were prepared in accordance with the historical cost and going concern principles, as the Directors have verified that there are no financial, managerial or other indicators that may show critical issues concerning the Group capacity to fulfil its commitments in the foreseeable future and, more specifically, in the next 12 months. A description of how the Group manages financial risks is provided in the notes to the Management of financial risks.

The preparation of financial statements in accordance with the IFRSs requires the use of estimates for some material amounts. In addition, the Company's management is required to make judgments and assumptions as to how the Company's accounting policies should be applied in certain areas. The areas of the financial statements that require the greatest attention or are especially complex and, consequently, involve the most significant estimated amounts are discussed in a separate Note later in this Report.

Under this method, assets, liabilities, expenses and revenues are consolidated using their full amount, irrespective of the percentage interest held, and the minority interest in shareholders' equity and net profit is shown in separate line items of the consolidated financial statements.

Presentation format of financial statements

The following provides the presentation formats and classification criteria adopted by the Company in respect of the accounting options set forth in IAS 1 Presentation of financial statements:

- The Consolidated Statement of Financial Position has been prepared by classifying assets and liabilities according to the "current/non-current" criteria;
- The Comprehensive Income Statement has been prepared by classifying expenses by function in addition to profit (loss) of the period, other changes in equity other than transactions carried out with Company's shareholders. This classification of the income statement, or by destination, is representative of the format used for internal reporting and management purposes and is in line with international practice in diagnostic sector.
- The Consolidated Statement of Cash flows is presented by stating cash flows provided by operating activities according to the "indirect method".
- In addition, in accordance with Consob Resolution no. 15519 of 28 July 2006, within the income statement income and expenses from non-recurring transactions are identified separately; similarly, the financial statements show separately any balances related to receivable/payable positions and transactions with related parties, which are further described in the section of these Notes to the financial statements entitled "Transactions with related parties".

The Financial Statements were prepared based on the conventional historical cost criterion, except for the measurement of financial assets and liabilities in those cases in which the use of the fair value criterion is mandatory.

Valuation criteria and accounting standards

Property, plant and equipment

The item includes:

a) Land;

b) Industrial buildings;

c) General purpose and specialized facilities;

d) Machinery;

e) Manufacturing and distribution equipment;

f) Right-of-use assets (in accordance with IFRS 16 reporting standard)

g) other assets.

Property, plant and equipment are recognized at their acquisition or production cost, plus directly attributable incidental expenses. Items of property, plant and equipment are valued at cost. Their cost is reduced by depreciation (with the exception of land, which is not depreciated) and write-downs for impairment.

Depreciation is computed on a straight-line basis at rates that reflect an asset's decrease in value and wear and tear. Depreciation is computed from the moment an asset is available for use.

Significant components of property, plant and equipment that have different useful lives are recognized separately and each one is depreciated in accordance with its own useful life.

The useful lives and residual values of these assets are reviewed each year upon the closing of the annual financial statements.

In accordance with the IFRS 16 accounting standards, the Company as lessee recognizes the so-called right - of - use asset under lease at the initial leasing date (i.e., the date on which the underlying asset is available for use). Right-of use-asset is measured at cost, net of any accumulated depreciation and impairments and adjusted for any remeasurement of the lease liability. The cost of the right-of-use asset includes the amount of the lease liabilities recognized, the initial direct costs incurred and the payment of leases at the commencement date or before, net of any incentives received. The right-of-use asset is depreciated on a straight-line basis from the lease commencement date to the end of the useful life of the right-of use asset, if earlier, to the lease's term.

If the lease transfers ownership of the asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise the option to purchase the asset, the Company shall depreciate the right-of-use asset from the lease commencement date to the end of the useful life of the underlying asset.

The depreciation rates used are as follows:

Industrial buildings	5.5%
General purpose and specialized facilities	10-12%
Machinery	12%
Manufacturing and distribution equipment	40%
Equipment held by customers	14-25%
Reconditioned equipment held by customers	20-33%
Right-of-use assets	5.5%-33%

Costs incurred for regular maintenance and repairs are charged directly to income the year they are incurred. Costs incurred to recondition equipment are capitalized only to the extent that the reconditioned equipment meets the requirements to be recognized separately as an asset or an asset component in accordance with the component approach. Reconditioning costs and any non-depreciated residual values are depreciated over the asset's residual life, which is estimated at three years.

Leasehold improvements that meet the requirements of IAS 16 "Property, Plant and Equipment" are classified as property, plant and equipment and depreciated over the asset's residual life or the remaining length of the lease, whichever is shorter.

If, irrespective of the amount of depreciation already taken, the recoverable value of an asset, computed in accordance with the method provided in IAS 36, is lower than its carrying value, the latter is written down to the assets' recoverable value and the resulting impairment loss is recognized. If in subsequent years the reasons for the original write-down cease to apply, the asset is restored to its original value (net of any depreciation that would have been taken had the asset not been written down) or its recoverable value, whichever is lower.

Gains and losses on the disposal or retirement of assets, which are computed as the difference between the sales proceeds and the asset's net carrying value, are recognized in the income statement for the year.

In accordance with IFRS 16 accounting standard, if changes to lease contracts result in a change in the accounting for the existing lease, the Company recognizes a remeasurement of the carrying amount of the right-of-use asset and a change, at the same time, in the lease liability; any gains or losses resulting from the remeasurement are recognized in the income statement of the period.

Intangible assets

Intangible assets are recognized in the statement of financial position only if they are identifiable, controllable, there is an expectation that they will produce future economic benefits and their cost can be measured reliably.

Intangible assets with a finite useful life are valued at their acquisition or production cost or at their appraised value, net of accumulated amortization and impairment losses. Amortization is computed on the basis of an asset's estimated useful life and begins when an asset is available for use. Useful lives are reviewed annually and the impact of any changes is reflected prospectively.

Intangible assets with an indefinite useful life are not amortized. They are tested for impairment annually or more frequently, if necessary, even when there are no indications that the value of the assets has been impaired. These tests are carried out for each cash generating unit to which intangible assets have been allocated.

Intangible assets with a finite useful life

Other intangibles

Other intangibles are recognized in the statement of financial position only it is probable that their use will generate future economic benefits and if their cost can be measured reliably. If these conditions are met, these intangible assets are recognized at cost, which is their purchase price plus incidental expenses.

The gross carrying amount of intangible assets with a finite useful life is amortized on a straight-line basis based on the assets' estimated useful lives. Amortization begins when an asset is put into use. In the first year, amortization is computed based on the length of time during which the asset is effectively in use. the Company uses the following amortization rates:

Asset type	Amortization rate
Concessions, licenses and similar rights	6.67-10% or length of contract
Trademarks	5% - 20%
Customer relationship	6.67-10%
Industrial patent and intellectual property rights	Legal duration

The duration of the amortization period, which is based on internal analyses and valuations, development plans and the return flows from their use, is deemed to be consistent with expectations concerning the duration and development of the Company's activities and products and with the likelihood that the positions achieved in the diagnostics market will be retained.

Impairment of assets

The Company tests, at least once a year, the net carrying value of its property, plant and equipment and its intangible assets with a finite useful life to determine whether the value of these assets has been impaired. If evidence of impairment is detected, the recoverable value of the affected assets is determined.

The recoverable amount of tangible or intangible assets is the higher of its fair value, less cost to sell, and its value in use, computed as the present value of the future cash flows expected to be derived from an asset or cash-generating unit. Expected future cash flows reflect assumptions that are consistent with the criteria applied to determine the discount rate. Cash flow projections are based on Company plans and on reasonable and documented assumptions about the Group's future results and macroeconomic conditions.

The discount rate used must reflect the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

When the recoverable amount of an individual asset cannot be estimated, the Company estimates the recoverable amount of the CGU to which the asset belongs.

Whenever the recoverable amount of an asset or a CGU is lower than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the reduction is recognized as an impairment loss in the income statement. Subsequently, if a previously recognized impairment loss for an asset other than goodwill ceases to exist or is reduced, the carrying amount of the asset (or CGU) is increased to the new estimated recoverable amount (but not more than the asset's net carrying amount had no impairment loss been recognized). This reversal is recognized immediately in earnings. Impairment losses recognized on goodwill or intangibles with indefinite useful life are in no way recoverable.

Equity investments in subsidiaries

As required by IFRS 5, equity investments in subsidiaries, joint ventures and affiliated companies that are not classified as held-for-sale assets (or included in discontinuing operations classified as held-for-sale assets) are recognized in accordance with the historical cost method. Specifically, the Company recognizes income on equity investments only when and to the extent that the Company receives the dividends from the investee company.

Whenever financial statements are prepared, the Company determines whether there are indications that the value of these investments may have been impaired. If such indications exist, an impairment test is carried out to determine if the carrying amount of the investments corresponds to their fair value.

Any impairment loss is recognized only to the extent that the recoverable value is lower than the carrying amount of the asset. If, subsequent to the recognition of the impairment loss, there are indications that the loss no longer exists or has decreased, the value of the investment is reinstated to reflect the loss reduction.

Once the carrying amount of an equity investment has been written off, any additional losses suffered by the investee company are recognized as a liability if the Parent Company has a legal or implied obligation to cover such additional losses of the investee company.

The book value of equity investments is increased to take into account stock options awarded to subsidiaries employees and, in accordance with IFRS 2, it is treated as a capital contribution to the subsidiaries in question.

Receivables and payables

Trade and other receivables are valued at amortized cost using the effective interest rate, less impairment losses, except receivables within a business model whose objective is achieved by either collection of contractual cash flows or sale (hold to collect and sell). These receivables are measured at fair value with changes recognized directly in the comprehensive income statement.

Impairment losses on receivables are recognized through the simplified approach required by IFRS 9 to measure loss allowance through lifetime expected credit loss. Specifically, the Company calculates expected credit loss using a provision matrix, which is estimated on the basis of historical credit loss experience for past due receivables and is adjusted to reflect current conditions and estimates on relevant future economic conditions.

Trade payables and other payables are initially recognized at fair value, net of directly allocated accessory costs and are subsequently measured at amortized cost, applying the effective interest rate criteria.

Receivables and payables denominated in foreign currencies are translated at the exchange rates in force on the date of the financial statements and any resulting gains or losses are recognized in earnings.

Cash and cash equivalent

They consist of cash and cash equivalents, short-term bank deposits, shares in liquidity funds and other money market securities readily converted into cash.

Shareholders' equity

Equity instruments issued by the Company are recognized for the amount of consideration received. Dividends distributed are recognized as a liability when the distribution resolution is approved. The purchase cost of treasury shares and the proceeds from their sale are recognized directly in equity, with no impact on the income statement.

Treasury shares

When the Company and its subsidiaries purchase Company shares, the consideration paid is deducted from the shareholders' equity attributable to the Company's shareholders, until the shares are retired or sold. No gain or loss is recognized in the income statement when treasury shares are bought, sold, issued or retired. When these shares are subsequently reissued, the consideration received, net of taxes, is added to the shareholders' equity attributable to the Company's shareholders.

Employee benefits

Pension plans

Defined-benefit pension plans, which include the severance benefits payable to employees pursuant to Article 2120 of the Italian Civil Code, are based on the length of the working lives of employees and the wages earned by employees over a predetermined period of service. The liability that represents the benefits owed to employees under defined-benefit plans is recognized at its actuarial value.

The recognition of defined-benefit plans requires the use of actuarial techniques to estimate the amount of the benefits accrued by employees in exchange for the work performed during the current year and in previous years. The resulting benefit must then be discounted to determine the present value of the Group's obligation. The determination of the present value of the Group's obligation is made by an independent actuary, using the projected unit credit method. This method treats each period of service provided by an employee to a company as an individual accrual unit. The actuarial liability must be quantified exclusively on the basis of the seniority achieved as of the date of valuation. Consequently, the total liability is prorated based on a ratio between the years of service accrued as of the valuation reference date and the total seniority that an employee is expected to have achieved when the benefit is paid. Moreover, this method requires taking into account future wage increases due for any reason (inflation, career moves, labor contract renewals, etc.) until the end of the employment relationship.

The cost of defined-benefit plans accrued during the year, which is reflected in the income statement as part of labor costs and financial expense, is equal to the sum of the average present value of the accrued benefits of current employees for service provided during the year and their annual vested interest in the present value of the Group's obligations at the beginning of the year, computed by discounting future outlays by the same rate as that used to estimate the Group's liability at the end of the previous year. The annual discount rate used for these computations was the same as the year-end market rate for zero-coupon bonds with a maturity equal to the average residual duration of the liability. Actuarial gains and losses reflecting changes in the actuarial assumptions or experience adjustments are credited or charged to equity in the statement of comprehensive income for the period in which they arise. If the amount is recorded on the balance sheet as an asset, it is limited to the present value of economic benefits available in the form of refunds or reductions in future contributions to the plan.

On January 1, 2007, the Italian Budget Law and the related implementation decrees introduced significant changes in the rules that govern the Provision for employee severance indemnities ("PESI") of companies whose registered office is located in Italy. These changes include the right of employees to decide the destination of future accrued PESI amounts. Specifically, employees can direct new PESI flows to selected pension investments or keep them with the employer company, which will then deposit its PESI contribution in a treasury account at the Italian social security administration (abbreviated as INPS in Italian). In light of these changes, the PESI is now viewed as a defined-benefit plan only insofar as the amounts vested before January 1, 2007 are concerned and as a defined-contribution plan after January 1, 2007.

Equity-based compensation plans

Group companies grant to Group executives and middle managers additional benefits through equity-based plans (stock options). In accordance with IFRS 2 "Share-based Payment," stock options awarded to employees are measured at their fair value on the grant date, in accordance with models that take into account factors and data (option exercise price, duration of the option, current price of the underlying shares, expected share price volatility, expected dividends and interest rate for zero-risk investments over the life of the option) applicable on the grant date.

If the option becomes exercisable after a certain period and/or certain performance requirements are met (vesting period), the total value of the option is prorated over the vesting period and recognized in earnings, with the offsetting entry posted to a specific shareholders' equity account called Other Reserves.

Because stock options are equity instruments, as defined by IFRS 2, the fair value of each option determined on the grant date is not adjusted at the end of each year unless changes occur in the stock options terms and conditions to increase their fair value in favor of beneficiaries. The estimate of the number of options that will reach maturity (and hence the number of employees who will be entitled to exercise their options) is adjusted. The result of any change in estimate is posted as an increase to or a reduction of the abovementioned shareholders' equity account, with the offsetting entry reflected in the income statement. At the end of the exercise period, the exercised options are reflected in the Company's share capital by adding an amount obtained by multiplying the number of shares issued by the par value of each share. The portion of "Other reserves" that is attributable to plan costs previously recognized in earnings and the amount obtained by multiplying the number of shares issued by the difference between the exercise price and the par value per share is posted to a shareholders' equity reserve.

Provisions for risks and charges

Provisions for risks and charges include amounts set aside to fund current obligations (statutory or implied) that arise from a past event, the performance of which will probably require the use of resources and the amount of which can be reasonably estimated. When the use of financial resources is expected to extend for a period of more than one year, the corresponding obligation should be recognized at its present value by discounting expected future cash flows at a rate that takes into account the cost of money and the risks inherent in the liability.

The provisions are updated on each financial statement date to reflect best current estimates. The impact of any changes in estimates is reflected in the income statement for the period during which the change occurred.

Risks that are merely reasonably possible of producing a liability are disclosed in the Notes to the financial statements, but no amount is recorded in the financial statements.

Income taxes

Income taxes include both current and deferred taxes.

Current taxes are computed on the basis of the estimated taxable income for the year in accordance with the tax laws in force.

Taxable income is different from reported income because it does not include positive and negative components that will be taxable or deductible in subsequent years and those items that will never be taxable or deductible. The liability for current taxes is computed using the tax rates in force on the date of the financial statements or the tax rates that will be in force when the asset is realized or the liability settled.

Deferred-tax assets and liabilities are the taxes that the Company expects to pay or recover on temporary differences between the values attributed to assets and liabilities for reporting purposes and the corresponding tax-related values used to compute taxable income, computed in accordance with the balance sheet liability method. As a rule, deferred-tax liabilities are recognized for all taxable temporary differences, while deferred-tax assets are recognized only insofar as the Company deems it probable that, in the future, it will generate sufficient taxable income to use the deductible temporary differences. The tax benefit produced by carrying forward tax losses is recognized if and to the extent that it is probable that, in the future, the Company will have sufficient taxable income to offset these losses.

The carrying value of deferred-tax assets is updated on each financial statement date and reduced when the existence of future taxable income sufficient to recover all or part of these assets is no longer probable.

Deferred taxes are computed at the tax rate in force on the closing date of the financial statements or at the tax rate that will be in force when the asset is realized or the liability settled. Deferred taxes are charged directly to income, except for those attributable to items recognized directly in equity, in which case the corresponding deferred taxes are also recognized in equity.

Financial liabilities

Financial liabilities consist of loans payable, including advances for the factoring of receivables, and other financial liabilities, convertible and regular bonds, including derivatives.

Initially, financial liabilities other than derivatives are recognized at their fair value less transaction costs. Subsequently, they are valued at their amortized costs, which is their initial amount, less any principal repayments, adjusted (upward or downward) to reflect the amortization (by the effective interest rate method) of any differences between the initial value and the value at maturity.

As regards lease liabilities, consistently with the IFRS 16 standard, as lessee, recognizes separately from financial liabilities the lease liabilities measuring them at the present value of the payments due for leasing not yet settled at the lease commencement date. The payments due include the fixed payments (including the fixed payments in substance), net of any lease incentives to be received, the variable lease payments which depend on an index or a rate and the amounts expected to be paid as guarantee on the residual value. The lease payments include also the exercise price of a purchase option where it is reasonably certain that this option shall be exercised by the Company.

Convertible bonds are classified, at issuance, as “hybrid” or “compound” debt instruments. When the bond issue is considered a compound instrument since its placement, it is split into a debt and, residually, an equity component, as provided for in IAS 32 – Financial instruments: Presentation.

In the case of a “compound” instrument, the debt portion represents the fair value of a traditional bond that does not entail conversion right or option while the equity portion, which is determined on a residual basis in relation to the total amount of the loan, represents the value of the bond conversion option into Company shares.

Transactions costs are proportionally allocated to the debt and equity portions.

Financial derivatives

Consistent with the provisions of IFRS 9, derivatives qualify for hedge accounting only when (i) there is formal designation and documentation of the hedging relationship, including company's objective and strategy in risk management at the inception of the hedge and (ii) the hedge is expected to be effective.

When financial instruments qualify for hedge accounting, the following accounting treatments are applied:

- Fair value hedges: if a derivative is designated as hedging the exposure to changes in fair value of a recognized asset or liability attributable to a specific risk that could have an impact on the income statement, the gains or losses derived from subsequent fair value measurements of the hedge are recognized in earnings. Gains or losses on the hedged item that are attributable to the hedged risk change the carrying amount of the hedged items and are also recognized in earnings;
- Cash flow hedges: if a derivative is designated as a hedging of the exposure to variability in the future cash flows attributed to a recognized asset or liability or to a highly probable future transaction that could have an impact on the income statement, the effective portion of the gain or loss stemming from changes in the fair value of the hedge is recognized in equity. The effective portion of any gain or loss is reclassified from shareholders' equity to the income statement in the same period in which the hedged transaction is recognized. Any gains or losses associated with a hedge that has become ineffective are immediately recognized in earnings. If a hedge or a hedging transaction is closed out but the hedged transaction has not yet been executed, all accumulated gains and losses, which until then were recognized in equity, are recognized in the income statement when the corresponding transaction is executed. If the occurrence of the hedged transaction is no longer viewed as probable, unrealized gains and losses suspended in equity are immediately transferred to the income statement.

The hedge effectiveness is determined at the inception of the hedge relationship, through periodic assessments of the prospective hedge effectiveness to ensure the existence of an economic relationship between the hedged item and the hedging instrument.

When hedge accounting cannot be applied, all gains and losses generated by subsequent fair value measurements of derivatives are immediately recognized in earnings.

The fair value of financial instruments that are listed on an active market is based on market prices at the balance sheet date. The fair value of financial instruments that are not are listed on an active market is determined using valuation techniques based on a series of methods and assumptions, and market information at the balance sheet date.

The following provides a classification of financial instruments recorded at fair value in a three-level hierarchy:

- Level 1: Fair value is determined on the basis of (unadjusted) quoted prices in active markets for identical assets or liabilities;
- Level 2: Fair value is determined using valuation techniques based on observable inputs on active market;
- Level 3: Fair value is determined using valuation techniques based on market unobservable inputs.

Revenue recognition

Revenues are recognized when control over assets sold to end customers or distributors has been transferred and related contractual obligations have been met. Revenues are measured as the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services (net of discounts, allowances and return).

Revenues from sales

Revenues from sales to end customers are based on a business model which provides for reagents supply and the provision of a diagnostic instrument along with its technical support (identified as a single performance obligation). Sales revenues are recognized when control over diagnostic kits is transferred to the end customer ("at point in time").

Revenues from sales to distributors, including foreign branches, which provide for separate sale of kits/reagents and/or instruments are identified as separate performance obligation since kits, reagents and instruments will be combined and configured by the distributor and sold to the end customer. The relevant revenues are recognized when control over instruments and/or reagents is transferred to their distributor.

Service revenues

Service revenues refer to the provision of centralized services such as management of human resources, corporate marketing function for immunodiagnostic products, quality system of products and certification of compliance with international standards, commercial support to instruments sold and after-market service, administration, finance and control, legal affairs and IT systems.

These revenues are recognized in the income statement based on the percentage of completion of each transaction and only when the outcome of the transaction can be estimated reliably.

Interest income

Interest income is recognized in the income statement at the effective yield rate. It is earned mainly on interests on arrears.

Dividends

Dividends received from investee companies are recognized in the income statement when the right to receive payment is established and only if they are derived from the distribution of earnings generated subsequent to the acquisition of the investee company.

Dividend distributions are recognized when the right of the Company's shareholders to receive payment is established, which generally occurs when the Shareholders' Meeting approves the dividend distribution resolution. The dividend distribution is recognized as a liability in the financial statements for the period during which the dividend distribution is approved by the Shareholders' Meeting.

Government grants

Government grants are recognized when there is a reasonable certainty that they will be collected. This occurs when the distributing public entity approves a formal resolution to that effect.

Grants received in connection with the purchase of property, plant and equipment or the capitalization of development costs are recognized among non-current liabilities and recognized in the income statement in equal instalments computed on the basis of the useful lives of the assets for which the grant was received.

Grants received as an interest subsidy upon the occurrence of specific events are recognized in the income statement at the present value of the benefit, when there is a formal commitment to grant the benefit by the distributing public entity. The corresponding liabilities are recognized at their fair value on the date the grant was received. Interest on this liability is recognized in the income statement in accordance with the amortized cost method.

Research and development costs

This item includes research and development costs that cannot be capitalized and the amortization of capitalized development costs.

Interest expense

Interest expense is recognized in accordance with the accrual principles, based on the financed amount and the applicable effective interest rate.

Material extraordinary events and transactions – Atypical and/or unusual transactions

Consistent with CONSOB Communication No. DEM/6064293 of July 28, 2006, the notes to the financial statements provide information about the impact of significant non-recurring events and transactions and/or atypical and/or unusual transactions on the Group's balance sheet, financial position and economic result.

The abovementioned CONSOB Communication defines as atypical and/or unusual transactions those transactions that, because of their significance/materiality, type of counterparty, purpose, method used to determine the transfer price and timing (close to the end of the year), could give rise to doubts with regard to: the accuracy/completeness of the disclosure provided in the financial statements, conflict of interests, safety of the corporate assets and protection of minority shareholders.

Related parties

Consistent with Consob Communication No. DEM/6064293 of July 28, 2006, the notes to the financial statements provide information about the impact of related-party transactions on the Company's balance sheet, financial position and income statement.

According to CONSOB Communication above atypical and/or unusual transactions are transactions that, because of their significance/material amount, type of counterpart, subject of the transaction, method of determining the transfer price and timing of the event (close to the end of a reporting period), could create doubts with regard to: the fairness/completeness of the financial statement disclosures, the existence of a conflict of interest, the safety of the corporate assets and the protection of minority shareholders.

New accounting standards

Below are the international accounting standards, interpretations and amendments to existing accounting standards and interpretations or specific provisions contained in the standards and interpretations approved by IASB, which have been endorsed or have not been endorsed for adoption in Europe as of the date on which this document is approved.

New documents issued by IASB and endorsed by the EU to be compulsorily adopted starting from financial statements for reporting periods beginning on 1 January 2023

Document title	Date of issue	Effective date	Date of endorsement	EU Regulation and date of publication
IFRS 17 – Insurance contracts (including amendments published in June 2020)	May 2017 June 2020	1 January 2023	19 November 2021	(EU) 2021/2036 23 November 2021
Initial application of IFRS 17 and IFRS 9 — Comparative information (Amendments to IFRS 17)	December 2021	1 January 2023	8 September 2022	(EU) 2022/1491 9 September 2022
Disclosure of accounting policies (Amendments to IAS 17)[7]	February 2021	1 January 2023	2 March 2022	(EU) 2022/357 3 March 2022
Definition of accounting estimates (Amendments to IAS 8)	February 2021	1 January 2023	2 March 2022	(EU) 2022/357 3 March 2022
Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)	May 2021	1 January 2023	11 August 2022	(EU) 2022/1392 12 August 2022
International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)	May 2023	1 January 2023	8 November 2023	(EU) 2023/2468 9 November 2023

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

Document title	Date of issue	Effective date	Date of endorsement	EU Regulation and date of publication
Lease liability in a sale and leaseback (Amendments to IFRS 16)	September 2022	1 January 2024	20 November 2023	(EU) 2023/2579 21 November 2023

IAS/IFRS and related IFRIC interpretations applicable to financial statements for reporting periods beginning after 1 January 2023. Documents NOT yet endorsed by the EU at 31 December 2023.

Please note that these documents will be applicable only after endorsement by the EU.

Document title	Date of issue by the IASB	Effective Date of the IASB Document	Date of expected endorsement by the EU
Amendments			
Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	September 2014	Postponed until completion of IASB project on the equity method	Endorsement suspended, pending the conclusion of IASB project on the equity method
Classification of liabilities as current or non-current (Amendments to IAS 1)	January 2020 July 2020 October 2022	1 January 2024	TBD
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 9)	May 2023	1 January 2024	TBD

[7] The document published by the IASB includes amendments to the document 'IFRS Practice Statements 2 - Making Materiality Judgements' that have not been endorsed by the European Union as they are not related to an accounting standard or interpretation.

The Company will adopt these new standards, amendments and interpretations, based on the date of application provided for, and, when endorsed by the European Union. The Company is currently considering the possible effects of the introduction of these amendments on the Consolidated Financial Statements.

New accounting standards endorsed and adopted by the Company

This note presents the impact of the adoption of amendments to the accounting standards, which are effective from 1 January 2023, on the consolidated financial statements to the extent that they differ from those applied in the previous periods.

IFRS 17 - Insurance Contracts (including amendments published in June 2020) and initial application of IFRS 17 and IFRS 9 - Comparative information (Amendments to IFRS 17)

Given the activities and the sector in which the Company operates, no significant effects have emerged from the application of this standard and its amendments.

Disclosure of accounting policies (Amendments to IAS 1)

The IASB amended IAS 1 to require entities to disclose their material accounting policy information, instead of significant accounting policies. Amendments clarify the meaning of material accounting policy information and explain how an accounting policy can be considered as material. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. The amendments had no impact on the Company's consolidated financial statements.

Definition of Accounting Estimates (Amendments to IAS 8)

Amendments clarify how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important as changes in accounting estimates are accounted for prospectively to future transactions and other future events while changes in accounting policies must be applied retrospectively to past transactions and other past events as well to the current period.

Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)

Amendments to IAS 12 require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. Previously, IAS 12 did not clarify how to account for these tax effects and thus different approaches were accepted. The amendments had no material impacts on the consolidated financial statements of the Company.

International Tax Reform—Pillar Two Model Rules - amendments to IAS 12

Amendments to IAS 12 have been introduced in response to BEPS Pillar Two rules of the OECD and include:

- A mandatory temporary exception to the accounting for and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity’s exposure to income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception applies immediately.

The Company is subject to the application of the OECD Pillar Two legislation and makes use of exception to the accounting for and disclosure of information on deferred taxes arising from the application of that legislation, as provided for by amendment to IAS 12.

New accounting standards issued but not yet adopted by the Company and/or not yet endorsed

Lease liability in a sale and leaseback (Amendments to IFRS 16)

The amendments specify requirements for seller-lessees to measure the lease liability in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions after the date of IFRS 16 initial application. Earlier application is permitted, but must disclosed.

Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)

Amendments clarify the accounting treatment for sale or contribution of assets between an Investor and its Associate or Joint Venture. The accounting treatment depends on whether the non-monetary asset sold or conferred constitutes a business (as defined by IFRS 3 - Business Combinations). Where the non-monetary assets constitute a business, the investor will recognize the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognized by the investor only to the extent of the other investor´s interests in the associate or joint venture. Amendments apply prospectively. The scope of consolidation does not include associated companies and joint ventures, therefore no impacts on the Company's financial statements are expected from the application of this amendment.

Classification of liabilities as current or non-current (Amendments to IAS 1)

Amendments clarify how liabilities should be classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is not affected by company's expectations or events occurring after the reporting date. Amendments clarify what IAS 1 means when it refers to the "settlement" of a liability. Any amendments to the classification of liabilities shall be applied retrospectively, as required by IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 9)

The amendments clarify the characteristics of supplier financing agreements and provide additional information on such agreements. The disclosure requirements provided by the amendments aim to help users of financial understand the effects of supplier financing arrangements on a company's liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual periods beginning on or after 1 January 2024. Early adoption is permitted, but must be disclosed.

ANALYSIS OF FINANCIAL RISKS

The table below lists material assets and liabilities by category, in accordance with the requirements of IFRS 7:

		12/31/2023			12/31/2022		
(in € thousands)	Notes	**Carrying value**	**Assets at amortized cost**	**Assets at fair value**	**Carrying value**	**Assets at amortized cost**	**Assets at fair value**
Other non-current financial assets	(16)	21,774	21,774	-	30,976	30,976	
Total non- current financial assets		***21,774***	***21,774***	***-***	***30,976***	***30,976***	***-***
Trade receivables	(15)	189	189	-	86	86	-
Trade receivable from Group companies	(15)	40,462	40,462	-	40,063	40,063	-
Other current assets	(17)	33,476	33,476	-	41,154	41,154	-
Other current financial assets	(20)	121	-	121	108	-	108
Intercompany financial receivables	(16)	15,645	15,645	-	13,811	13,811	-
Cash and cash equivalents	(18)	32,374	32,374	-	16,805	16,805	-
Total current financial assets		***122,267***	***122,146***	***121***	***112,027***	***111,919***	***108***
Total financial assets		**144,041**	**143,920**	**121**	**143,003**	**142,895**	**108**

		12/31/2023			12/31/2022		
(in € thousands)	Notes	**Carrying value**	**Liabilities at amortized cost**	**Liabilities at fair value**	**Carrying value**	**Liabilities at amortized cost**	**Liabilities at fair value**
Non-current financial liabilities: bond loan	(20)	457,797	457,797	-	448,565	448,565	-
Financial lease liabilities (IFRS 16)	(20)	743	743	-	734	734	-
Due for Put/Call option rights	(23)	1,282	-	1,282	1,190	-	1,190
Total non-current financial liabilities		***459,822***	***458,540***	***1,282***	***450,489***	***449,299***	***1,190***
Trade payables	(24)	6,768	6,768	-	8,253	8,253	-
Trade payables due to Group companies	(24)	5,506	5,506	-	8,366	8,366	-
Financial payables due to Group companies	(20)	158,339	158,339	-	143,543	143,543	-
Revolving Credit Facility granted to Diasorin S.p.A.	(20)	44,792	44,792	-	39,642	39,642	-
Financial lease liabilities (IFRS 16)	(20)	345	345		363	363	-
Other current financial liabilities		-	-	-	-	-	-
Total current financial liabilities		***215,750***	***215,750***	***-***	***200,167***	***200,167***	***-***
Total financial liabilities		**675,572**	**674,290**	**1,282**	**650,656**	**649,466**	**1,190**

With regard to the above, the classification of financial assets and liabilities measured at fair value in the statement of financial position, according to the fair value hierarchy, concerned derivative financial instruments. These instruments are classified at level 2 and booked under other current financial liabilities, amounting to € 121 thousand at December 31, 2023 (positive by € 108 thousand at December 31, 2022).

The duration of financial liabilities for lease contracts is provided in Note 20. In accordance with IFRS 16, interest expense on leases amounted to € 15 thousand at December 31, 2023.

Non-current financial liabilities and assets are settled or valued at market rates and it is therefore considered that the fair value is in line with the current book values.

Risks related to fluctuations in foreign exchange and interest rate

The Group's Parent Company is exposed to the market risk caused by fluctuations in foreign exchange rates because it operates at the international level and executes transactions involving different foreign exchange and interest rates.

A fluctuation of 5 percentage points in foreign currencies other that the euro would have an impact on the income statement equal to about € 0.2 million.

As to interest rates, a fluctuation of 2 percentage points would have an impact on the income statement mainly deriving from the use of the revolving credit facility (interests do not accrue on the convertible bond): on the amount used at December 31, 2023 (€ 45 million), in the event interest rates increase by 2 percentage points, the impact would be of € 0.9m on an annual basis.

In order to mitigate the foreign exchange risk related to the currency fluctuations, the Company executed currency forward sales requiring the recognition of a net positive fair value of € 121 thousand at December 31, 2023 (positive fair value of € 108 thousand at December 31, 2022).

Credit risk

The Parent Company's trade receivables were € 270 thousand and the related allowance for doubtful account amounted to € 81 thousand.

A breakdown of trade receivables from third parties and the related allowance for doubtful account by time limit is provided below:

Type	**Amount not yet due**	**0 - 90**	**91 - 180**	**181 - 360**	**Beyond 360**	**Past-due amount**	**Total receivables**
Trade receivables	189	0	0	0	81	81	270
Expected loss rate	*0%*	*0%*	*0%*	*0%*	*100%*	*100%*	*30%*
Allowance for doubtful account	-	-	-	-	81	81	81
Net amount	**189**	-	-	-	-	-	**189**

Liquidity risk

A prudent cash management strategy includes maintaining sufficient cash or readily available assets and credit lines, to meet immediate liquidity needs. Cash flows, funding requirements and liquidity levels are monitored centrally to ensure promptly and effectively the availability of financial resources and invest appropriately any excess liquidity.

In order to meet any financial needs and a credit market characterized by low liquidity, the Company has deemed it necessary - in 2022- to adopt a EUR 150 million 3 year committed revolving credit facility, made available by a pool of banks and to be used upon set conditions.

Management believes that the funds and credit facilities currently available, when combined with the resources generated by the Company's operating and financing activities (including dividends received by its subsidiaries) will enable the Company to meet its cash needs.

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

	(in € thousands)	**12/31/2023**	**12/31/2022**
A	Cash on hand	32,374	16,805
B	Cash equivalents	-	-
C	Other current financial assets	15,766	13,919
D	**Liquidity (A+B+C)**	**48,140**	**30,724**
E	Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	203,476	183,548
F	Current portion of non-current financial debt	-	-
G	**Current financial debt (E+F)**	**203,476**	**183,548**
H	**Net current financial debt (G-D)**	**155,336**	**152,824**
I	Non-current financial debt (excluding the current portion and debt instruments)	743	734
J	Debt instruments	457,796	448,565
K	Trade payables and other non-current debts	-	-
L	**Non-current financial debt (I+J+K)**	**458,539**	**449,299**
M	**Total financial debt (H+L)**	**613,875**	**602,123**

At December 31, 2023, cash and cash equivalent amounted to € 32,374 thousand.

Current financial debt includes € 158,339 thousand in financial payables due to Group companies for the centralized cash management system and € 44,792 thousand in use of a Revolving Credit Facility. In order to meet any financial needs and a credit market characterized by low liquidity, the Company has deemed it necessary to adopt a EUR 150 million 3 year committed revolving credit facility, made available by a pool of banks and to be used upon set conditions. At December 31, 2023, the Company used € 45,000 thousand of this credit line, secured by the U.S. Diasorin Inc..

Non-current financial debt includes the convertible bond signed in 2021 to finance the Luminex acquisition (€ 457,796 thousand) and non-current financial liabilities for IFRS16 leases

ITEMS THAT INVOLVE THE USE OF SIGNIFICANT ASSUMPTION AND ESTIMATES

The preparation of financial statements in accordance with the IFRS requires the use of estimates for some material amounts. In addition, management is required to make judgments and assumptions in relation to accounting policies.

The process of drafting financial statements involves the use of estimates and assumptions about future events.

These estimates represent the best assessment possible on the date of the financial statements. However, because of their very nature, they could produce material changes in balance sheet amounts in future years.

Estimates are updated by the Management on an on-going basis and are based on past experience, all other known factors and the occurrence of future events that are reasonably expected to take place, particularly with regard to the macro-economic scenario marked by great uncertainty.

The main items affected by estimates are reviewed below.

Useful life of tangible and intangible assets

The cost of tangible and intangible assets is amortized and depreciated according to the straight-line basis over the estimated useful life of the asset. The useful life is determined by the directors when such assets are purchased and is based on historical experience of similar assets, market conditions and expectations regarding future events that may have an impact, including new technologies. Therefore, the actual useful life may differ from the estimated useful life.

Development costs that meet the requirements for capitalization are recognized as intangible assets.

Impairment of non-current assets

Non-current assets include property, plant and equipment, intangible assets, equity investments and other financial assets. Management reviews the carrying amounts of non-current assets held and in use and available-for-sale assets on a regular basis and whenever events or circumstances make such review necessary. The recoverable value of property, plant and equipment and intangible is verified using criteria that are consistent with the requirements of IAS 36, which are explained in the section of these Notes entitled “Impairment of assets.”

Pension plans and other post-employment benefits

Management uses different statistical assumptions and evaluation factors to project future events and compute the costs, liabilities and assets related to these plans. Assumptions are made with regard to the discount rate, the expected yield of plan assets, the rates of future increases in employee compensation and trends in health care costs. The actuaries who provide the Company with consulting support also use subjective parameters, such as employee mortality and termination rates.

Stock option plans

The measurement of stock option plans at fair value requires the formulation of specific assumptions, the most significant of which include the following:

- the value of the underlying shares on the valuation date;
- the expected volatility of the price/value of the underlying shares;

- the dividend yield of the underlying shares.

Contingent liabilities

The Group's Parent Company is a party to legal and tax disputes. Given the uncertainty inherent in such situations, it is difficult to predict with certainty any expense that may result from these disputes. In the normal course of business, management relies on the support of its legal counsel and of experts on legal and taxation issues. The Group's Parent Company recognizes a liability in connection with these disputes when it believes that the occurrence of a cash outlay is probable and the amount of the resulting loss can be reasonably estimated. When a cash outlay becomes probable, but the amount cannot be determined, this fact is disclosed in the notes to the financial statements.

Convertible bond

As regards items that involve the use of significant assumptions and estimates it should be noted the convertible bond valuation. Since its placement, the Bond Issue convertible into ordinary shares amounting to € 500 million due 2028 (Senior unsecured equity-linked bond) issued by Diasorin S.p.A. on April 28, 2021 has been considered a compound instrument as it is split into a debt and, residually, an equity component, as provided for in IAS 32 – Financial instruments: Presentation. The equity instrument represents the value of the bond conversion option into Diasorin S.p.A. shares.

Derivatives

The fair value of financial instruments is based on market quotations or, where unavailable, applying suitable evaluation techniques that use updated financial variables used by market investors and, where possible, taking into account the prices of recent similar transactions on financial instruments. Derivatives are classified as hedging instruments when the link between the derivative and the hedged item is formally documented and, subject to periodic checks, the effectiveness of the hedge is high. Compliance with the requirements defined in IFRS9 to qualify for hedge accounting is verified periodically. Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized in profit and loss.

Climate change

Given the business model in which Diasorin operates, the Company is not significantly exposed to environmental risks, especially in relation to Climate Change.

Description and main changes

Income statement

On July 1, 2022, the Company completed the contribution in kind through which Diasorin S.p.A. transferred to Diasorin Italia S.p.A. the business branch related to the operating activities carried out in Italy and in the United Kingdom (industrial activities, R&D, commercial and marketing activities and ancillary activities in support thereof) was completed. Following this operation, year-over-year balances are difficult to compare.

In the consolidated income statement, costs are classified by function. This income statement format, also known as “cost of sales” income statement, is more representative of the Company’s business than a presentation with expenses classified by nature.

In the classification of costs by nature, amortization and depreciation amounted to € 2,143 thousand in 2023; the decrease in tangible and intangible assets in the periods under comparison is due to the business branch assets transferred to Diasorin Italia S.p.A, as a result of the new company’s identity. It should be noted that amortization and depreciation refer mainly to the first six months of 2022, that is prior the contribution of operating activities to Diasorin Italia S.p.A.

(in € thousands)	**2023**	**2022**
Depreciation of property, plant and equipment	490	8,299
Amortization of intangibles	1,653	5,659
Total	**2,143**	**13,958**

Depreciation of property, plant and equipment held by the Group’s Parent company were € 490 thousand and refer mainly to the rights of use.

Costs for amortization of intangible assets were recognized under sales and marketing expenses (€ 972 thousand) and general and administrative expenses (€ 675 thousand), broken down as follows:

(in € thousands)	**2023**	**2022**
Cost of sales	-	133
Sales and marketing expenses	972	1,866
Research and development costs	6	2,717
General and administrative expenses	675	943
Total	**1,653**	**5,659**

Labor costs amounted to € 29,445 thousand, broken down as follows:

(in € thousands)	**2023**	**2022**
Wages and salaries	17,030	33,275
Social security contributions	5,381	9,255
Severance indemnities paid and other benefits	1,463	2,602
Cost of stock option plan	5,407	4,951
Other labor costs	164	258
Total	**29,445**	**50,341**

The table below shows the average number of Company's employees:

	2023	2022
Factory staff	1	41
Office staff	97	386
Executives	34	47
Total	**132**	**474**

1. Revenues

Revenues for services provided within intercompany service agreements amounted to € 24,806 thousand and refer to refer to the provision of centralized services such as management of human resources, corporate marketing function for immunodiagnostic products, quality system of products and certification of compliance with international standards, commercial support to instruments sold and after-market service, administration, finance and control, legal affairs and IT system.

In 2022, net revenues provided mainly through the sale of diagnostic kits were generated in the first half of 2022 until the contribution in kind of the operating and commercial activities to Diasorin Italia S.p.A. became effective.

2. Cost of sale

On July 1, 2022, the Company completed the contribution in kind through which Diasorin S.p.A. transferred to Diasorin Italia S.p.A. the business branch related to the operating activities carried out in Italy and in the United Kingdom (industrial activities, R&D, commercial and marketing activities and ancillary activities in support thereof). Following this operation the cost of sales was equal to zero.

3. Sales and marketing expenses

In 2023, sales and marketing expenses amounted to € 12,675 thousand. This item consists mainly of marketing costs incurred to promote and distribute Diasorin products and provide subsidiary with tools to implement the strategies decided by the Group's Parent company.

4. Research and development costs

In 2023, research and development costs were € 4,003 thousand and include all of the research and development outlays that were not capitalized, including the costs incurred to register the products offered for sale and meet quality requirements.

5. General and administrative expenses

General and administrative expenses, which include expenses incurred for corporate management activities, Group administration, finance and control, information technology, corporate organization and insurance, amounted to € 34,427 thousand. The total amount includes € 9,518 thousand from related-party transactions. The remuneration of the Board of Directors, excluding the Company's employees, amounted to € 1,050 thousand, and remuneration of the Statutory Auditors amounted to € 130 thousand.

6. Other operating income (expenses)

At December 31, 2023, other operating expenses amounted to € 9,913 thousand (income of € 5,757 thousand in 2022). The item includes income and expenses from operations that cannot be allocated to specific functional areas, and amounts charged back to Group companies from services provided to subsidiaries.

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

(in € thousands)	**2023**	**2022**
Intra-Group services	(2,133)	12,550
Trade-related foreign exchange differences	44	(98)
Tax charges	(95)	(310)
Additions to the allowances for doubtful accounts and provisions for risks and charges	300	458
Other operating (expense) and income	(5,027)	(1,569)
Non-recurring charges	(3,002)	(5,274)
Other operating (expense) and income	**(9,913)**	**5,757**

The balance of other operating expense and income was negative by € 9,913 thousand (positive by € 5,757 thousand in 2022 when the item included income from non-corporate costs charged back to Group companies). The amount includes non-recurring charges equal to € 3,002 thousand mainly associated with the integration of the Luminex Group.

7. Financial income

In 2023, financial income was € 74,250 thousand, on the back of:

- dividends received by Group companies, amounting to € 67,387 thousand,
- interests related to Group companies, amounting to € 2,059 thousand,
- interests and other income, amounting to € 4,804 thousand.

Dividends received from subsidiaries were € 67,387 thousand in 2023, broken down as follows:

(in € thousands)	**2023**	**2022**
Diasorin Italia S.p.A.	52,809	-
Diasorin Iberia S.A.	2,350	2,500
Diasorin S.A/N.V. (Belgium)	2,350	-
Diasorin Ltd (Israel)	1,000	1,500
Diasorin S.A. (France)	2,500	-
Diasorin Austria GmbH (Austria)	2,000	-
Diasorin Czech s.r.o.	-	1,231
Diasorin Ireland Limited	1,223	-
Diasorin AB (Sweden)	720	-
Diasorin Switzerland AG	1,570	2,008
Diasorin INUK Ltd	-	134
Diasorin Australia (Pty) Ltd	865	-
Total dividends received	**67,387**	**7,373**

8. Financial expenses

Financial expenses are detailed in the following table:

(in € thousands)	**12/31/2023**	**12/31/2022**
Factoring transactions fees	-	(176)
Interest expense and other financial charges	(20,132)	(12,464)
including: IFRS 16 interest expense	(15)	(248)
Interest on pension funds	(22)	(23)
Total financial expense	**(20,154)**	**(12,663)**

Financial expenses include € 9,232 thousand in notional interest accrued on the convertible bond at amortized cost.

9. Income taxes

Income taxes were positive and equal to € 10,395 thousand, mainly as a result of IRES loss recognized as income in the fiscal consolidation:

(in € thousands)	**2023**	**2022**
Current income taxes:		
- Local taxes (IRAP)	-	2,559
- Corporate income taxes (IRES)	(10,902)	6,404
Other income taxes (non-deductible taxes/ taxes of previous years)	344	280
Deferred taxes	163	27
Including IRAP amount	-	(10)
Total Income taxes for the year	**(10,395)**	**9,272**

A reconciliation of the theoretical tax rate to the effective tax rate, without taking into account withholding taxes on dividends, is provided below:

(in € thousands)	**2023**	**2022**
Profit before taxes	17,884	47,058
Ordinary tax rate	24.00%	24.00%
Theoretical income taxes	4,292	11,294
Tax effect of permanent differences	(15,031)	(4,852)
Income taxes on reported income	**(10,739)**	**6,442**
Effective tax rate	**-**	**13.7%**

In 2023, the effective tax rate was zero since the Parent Company had no taxable income as a result of fiscal changes (mainly related to dividends).

10. Earnings per share

Information about basic earnings per share and diluted earnings per share is provided in the Notes to the consolidated Financial Statements.

Statutory statement of financial position

11. Property, plant and equipment

The tables below show the changes that occurred in the original cost of property, plant and equipment in 2023 and 2022:

(in € thousands)	At December 31, 2022	Additions	Disposals	Translation differences	Reclassifications and other changes	At December 31, 2023
Land	-	-	-	-	-	-
Buildings	-	-	-	-	-	-
Plant and machinery	-	-	-	-	-	-
Manufacturing and distribution equipment	-	68	-	-	-	68
Other assets	272	24	-	-	20	316
Advances and tangible in progress	725	874	-	-	(376)	1,223
IFRS 16 rights of use	1,824	403	489	-	(86)	1,652
Total property, plant and equipment	**2,821**	**1,369**	**489**	**-**	**(442)**	**3,259**

	At December 31, 2021	Contribution in kind	Additions	Disposals	Translation differences	Reclassifications and other changes	At December 31, 2022
Land	659	(659)	-	-	-	-	-
Buildings	13,644	(13,900)	193	-	-	63	-
Plant and machinery	34,155	(35,086)	104	208	-	1,036	- -
Manufacturing and distribution equipment	90,411	(91,816)	3,496	2,994	(107)	1,009	- -
Other assets	14,940	(15,295)	517	3	(136)	250	272
Advances and tangible in progress	10,065	(8,664)	3,885	22	(6)	(4,533)	725
IFRS 16 rights of use	17,314	(15,866)	1,093	556	(162)	-	1,824
Total property, plant and equipment	**181,189**	**(181,286)**	**9,288**	**3,782**	**(412)**	**(2,176)**	**2,821**

The following changes occurred in the corresponding accumulated depreciation accounts in 2023 and 2022:

(in € thousands)	At December 31, 2022	Depreciation	Disposals	Translation differences	Reclassifications and other changes	At December 31, 2023
Land	-	-	-	-	-	-
Buildings	-	-	-	-	-	-
Plant and machinery	-	-	-	-	-	-
Manufacturing and distribution equipment	-	19	-	-	-	19
Other assets	9	59	-	-	-	68
IFRS 16 rights of use	755	411	479	-	(86)	601
Total property, plant and equipment	**763**	**490**	**479**	**-**	**(86)**	**688**

(in € thousands)	At December 31, 2021	Contribution in kind	Depreciation	Disposals	Translation differences	Reclassifications and other changes	At December 31, 2022
Buildings	6,467	(6,708)	241	-	-	-	-
Plant and machinery	21,134	(22,268)	1,342	208 -	1	-	-
Manufacturing and distribution equipment	69,313	(70,861)	4,839	2,751	(66)	(474)	-
Other assets	7,635	(8,116)	543	3	(50)	-	9
IFRS 16 rights of use	4,408	(4,236)	1,145	540	(22)	-	755
Total property, plant and equipment	**108,957**	**(112,189)**	**8,111**	**3,503**	**(139)**	**(474)**	**763**

A breakdown of the net carrying value of property, plant and equipment at December 31, 2023 and 2022 is provided below:

(in € thousands)	At December 31, 2022	Additions	Depreciation	Disposals	Translation differences	Reclassifications and other changes	At December 31, 2023
Land	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-
Plant and machinery	-	-	-	-	-	-	-
Manufacturing and distribution equipment	-	68	19	-	-	-	49
Other assets	263	24	59	-	-	20	248
Advances and tangible in progress	725	874	-	-	-	(376)	1,223
IFRS 16 rights of use	1,069	403	411	10	-	-	1,050
Total property, plant and equipment	**2,058**	**1,369**	**490**	**10**	**-**	**(356)**	**2,571**

(in € thousands)	At December 31, 2021	Contribution in kind	Additions	Depreciation	Disposals	Translation differences	Reclassifications and other changes	At December 31, 2022
Land	659	(659)	-	-	-	-	-	-
Buildings	7,177	(7,192)	193	241	-	-	63	- -
Plant and machinery	13,021	(12,818)	104	1,342	-	1	1,036	-
Manufacturing and distribution equipment	20,840	(20,955)	3,496	4,839	243	(40)	1,741	-
Other assets	7,099	(7,179)	517	543	-	(86)	456	263
Advances and tangible in progress	10,529	(8,664)	3,885	-	22	(6)	(4,997)	725
IFRS 16 rights of use	12,906	(11,630)	1,093	1,145	15	(140)	-	1,069
Total property, plant and equipment	**72,231**	**(69,097)**	**9,288**	**8,111**	**280**	**(271)**	**(1,702)**	**2,058**

Reclassifications and other net changes amounting to € 356 thousand refer to reclassifications of advance payment from tangible to intangible assets.

Tangible assets include “Right-of-use Assets” for a total amount of € 1,050 thousand at December 31, 2023, recognized on the basis of IFRS 16 accounting standard. The item includes right-of-use assets relating to rented property and industrial buildings, amounting to € 548 thousand at December 31, 2023, along with right-of-use assets relating to other assets - particularly company vehicles rentals – for a total of € 502 thousand at December 31, 2023.

12. Goodwill and other intangible assets

In 2023 and 2022, changes in the gross carrying amount of intangible assets were as follows:

(in € thousands)	At December 31, 2022	Additions	Reclassification and other changes	At December 31, 2023
Goodwill	-	-	-	-
Development costs	-	-	-	-
Concessions, licenses and trademarks	21,002	508	356	21,866
Customer relationship	-	-	-	-
Industrial patents and intellectual property rights	2,618	-	-	2,618
Advances and other intangibles	-	-	-	-
Total intangibles	**23,620**	**508**	**356**	**24,484**

(in € thousands)	**At December 31, 2021**	**Contribution in kind**	**Additions**	**Reclassification and other changes**	**At December 31, 2022**
Goodwill	44,966	(44,966)	-	-	-
Development costs	55,561	(60,584)	5,201	(178)	-
Concessions, licenses and trademarks	86,509	(67,420)	679	1,234	21,002
Customer relationship	6,741	(6,741)	-	-	-
Industrial patents and intellectual property rights	12,177	(9,923)	60	304	2,618
Advances and other intangibles	112	(110)	-	-	-
Total intangibles	**206,066**	**(189,744)**	**5,940**	**1,360**	**23,620**

The following changes occurred in the corresponding accumulated amortization accounts in 2023 and 2022:

(in € thousands)	**At December 31, 2022**	**Amortization**	**Translation differences**	**Reclassification and other changes**	**At December 31, 2023**
Goodwill	-	-	-	-	-
Development costs	-	-	-	-	-
Concessions, licenses and trademarks	13,075	1,462	-	-	14,537
Customer relationship	-	-	-	-	-
Industrial patents and intellectual property rights	2,027	191	-	-	2,218
Advances and other intangibles	-	-	-	-	-
Total intangibles	**15,102**	**1,653**	**-**	**-**	**16,755**

(in € thousands)	**At December 31, 2021**	**Contribution in kind**	**Amortization**	**Translation differences**	**Reclassification and other changes**	**At December 31, 2022**
Goodwill	5,210	(5,210)	-	-	-	-
Development costs	21,178	(22,853)	1,675	-	-	-
Concessions, licenses and trademarks	45,436	(35,906)	3,588	-	(43)	13,075
Customer relationship	1,992	(2,216)	224	-	-	-
Industrial patents and intellectual property rights	10,797	(9,138)	368	-	-	2,027
Advances and other intangibles	100	(100)	4	(4)	-	-
Total intangibles	**84,713**	**(75,423)**	**5,859**	**(4)**	**(43)**	**15,102**

A breakdown of the net carrying value of intangible assets at December 31, 2023 and 2022 is provided below:

(in € thousands)	At December 31, 2022	Additions	Amortization	Reclassification and other changes	At December 31, 2023
Goodwill	-	-	-	-	-
Development costs	-	-	-	-	-
Concessions, licenses and trademarks	7,928	508	1,462	356	7,330
Customer relationship	-	-	-	-	-
Industrial patents and intellectual property rights	590	-	191	-	399
Advances and other intangibles	-	-	-	-	-
Total intangibles	**8,518**	**508**	**1,653**	**356**	**7,729**

(in € thousands)	At December 31, 2021	Contribution in kind	Additions	Amortization	Reclassification and other changes	At December 31, 2022
Goodwill	39,756	(39,756)	-	-	-	-
Development costs	34,383	(37,731)	5,201	1,675	(178)	-
Concessions, licenses and trademarks	41,073	(31,514)	679	3,588	1,278	7,928
Customer relationship	4,749	(4,525)	-	224	-	-
Industrial patents and intellectual property rights	1,381	(785)	60	368	302	590
Advances and other intangibles	15	(10)	-	4	(1)	-
Total intangibles	**121,357**	**(114,321)**	**5,940**	**5,859**	**1,401**	**8,518**

Goodwill and development costs

Following the contribution in kind executed on July 1, 2022, goodwill and developed costs were transferred to Diasorin Italia S.p.A.

Concessions, licenses and trademarks

At December 31, 2023, the item concessions, licenses and trademarks amounted to € 7,330 thousand. The change compared to December 31, 2022 is due to amortization of the period (€ 1,462 thousand).

From the information made available to the Management, there are no indications that the value of these items has been impaired. Therefore, the Company did not perform any impairment test.

13. Equity investments

At December 31, 2023, equity investments were € 988,912 thousand.

The table that follows shows the changes that occurred in 2023:

Company	Head office location	12/31/2022	Change	12/31/2023
Diasorin Italia S.p.A	Saluggia (Italia)	353,500	-	353,500
Diasorin S.A/N.V.	Bruxelles (Belgium)	1,145	-	1,145
Diasorin Ltda	Sao Paolo (Brazil)	10,908	-	10,908
Diasorin S.A.	Antony (France)	2,509	2	2,511
Diasorin Iberia S.A.	Madrid (Spain)	5,348	-	5,348
Diasorin Ltd	Blewbury (United Kingdom)	826	225	1,051
Diasorin Inc.	Stillwater (United States)	589,424	1,519	590,943
Diasorin Mexico S.A de C.V.	Mexico City (Mexico)	3,296	-	3,296
Diasorin Deutschland GmbH	Dietzenbach (Germany)	5,521	112	5,633
Diasorin AB	Solna (Sweden)	4,819	-	4,819
Diasorin Ltd	Rosh Haayin (Israel)	-	-	-
Diasorin Austria GmbH	Wien (Austria)	1,035	-	1,035
Diasorin Poland sp. Z.o.o.	Warsaw (Poland)	2,854	-	2,854
Diasorin Czech s.r.o.	Prague (Czech Republic)	2,126	-	2,126
Diasorin Diagnostics Ireland Limited	Dublin (Ireland)	-	-	-
Diasorin South Africa (PTY) Ltd	Johannesburg (South Africa)	541	-	541
Diasorin Australia (Pty) Ltd	Sydney (Australia)	2,287	-	2,287
Diasorin Ltd	Shanghai (China)	651	-	651
Diasorin Switzerland AG	Risch (Switzerland)	243	-	243
Diasorin Ireland Ltd	Dublin (Ireland)	19,878	(19,878)	-
Diasorin Healthcare India Private Limited	Mumbai (India)	-	-	-
Diasorin Apac	Singapore	10	-	10
Diasorin Dubai	Dubai	11	-	11
Total equity investments		**1,006,932**	**(18,020)**	**988,912**

The change of € 18,020 thousand, was mainly due to:

- the increase in stock option costs awarded to employees of Diasorin Inc., Diasorin Deutschland GmbH, Diasorin Ltd (United Kingdom), Diasorin S.A. (France), for a total amount of € 1,858 thousand;
- liquidation of Diasorin Ireland Ltd, equal to € 19,878 thousand.

The carrying amount of the equity investments was tested for impairment, even in the absence of specific indicators, in consideration of relevant intangible assets and goodwill recognized in the financial statements of direct and indirect subsidiaries. The impairment test was completed on the basis of the most recent projections of economic results and cash flows for future years (2024-2026). These projections were developed on the basis of the Industrial plan approved by the Board of Directors and presented in December 2023.

In computing the present value of future cash flow, the Group used a discount rate that reflects the weighted average cost of capital (WACC) and the cost of debt The discount rate used was determined on a post-tax basis and coherently with the cash flows. The Company computed a specific WACC for each subsidiary to take into account the specific risk associated with the activities of each company in each country (this variable is reflected in the use of risk-free for each country).

The following provides WACC rates used for each company:

Company	WACC
Diasorin Italia	8.89%
Diasorin France	7.61%
Diasorin Spain	8.20%
Diasorin Portugal	7.82%
Diasorin Belgium	7.72%
Diasorin Netherlands	6.84%
Diasorin Sweden	6.91%
Diasorin UK	7.53%
Diasorin Germany	6.79%
Diasorin Austria	7.54%
Diasorin Czech Republic	7.90%
Diasorin Slovakia	8.45%
Diasorin USA	6.84%
Diasorin Molecular	6.84%
Diasorin Canada	6.84%
Diasorin Brazil	9.58%
Diasorin Mexico	9.08%
Diasorin Israel	8.62%
Diasorin China	7.82%
Diasorin Australia	6.79%
Diasorin India	8.89%
Diasorin Switzerland	6.92%
Diasorin Poland	8.29%

The following provides “g” rates used for each company:

Company	g rate
Diasorin Italia	1.90%
Diasorin France	2.00%
Diasorin Spain	1.95%
Diasorin Portugal	1.86%
Diasorin Belgium	1.98%
Diasorin Netherlands	2.03%
Diasorin Sweden	2.12%
Diasorin UK	1.99%
Diasorin Germany	2.17%
Diasorin Austria	2.23%
Diasorin Czech Republic	2.08%
Diasorin Slovakia	2.13%
Diasorin USA	2.16%
Diasorin Molecular	2.16%
Diasorin Canada	2.05%
Diasorin Brazil	3.26%
Diasorin Mexico	3.26%
Diasorin Israel	1.37%
Diasorin China	2.23%
Diasorin Australia	2.32%
Diasorin India	4.39%
Diasorin Switzerland	0.88%
Diasorin Poland	2.28%

No impairment indicators were found.

In addition, the Company performed a sensitivity analysis assuming a deterioration of the variables used in the impairment test: WACC and g rate. More specifically the discount rate for each company was increased by 0.5 percentage point and the growth rate of the terminal value was decreased by 0.25 percentage points. The sensitivity analysis performed on each company showed no indications of impairment.

A list of the equity investments held by the Group’s Parent Company is provided below.

	Head Office location	Currency	Share capital (*)	Net profit/(loss) for the year (*)	Shareholders' equity in latest approved financial statements (*)	Value per share or partnership interest	% interest held directly	Number of shares or partnership interests held
Equity investments consolidated line by line								
Diasorin Italia S.p.A.	Saluggia (Italy)	EUR	1,000,000	84,333	437,900,628	1	100%	1,000,000
DiaSorin S.A/N.V.	Bruxelles (Belgium)	EUR	1,674,000	2,357,699	8,497,402	6,696	100%	249
DiaSorin Ltda	Sao Paolo (Brazil)	BRL	65,547,409	7,473,010	39,261,630	1	100%	65,547,409
DiaSorin S.A.S. Unipersonnelle	Antony (France)	EUR	960,000	1,387,210	11,197,527	15.3	100%	62,493
DiaSorin Iberia S.A.	Madrid (Spain)	EUR	1,453,687	2,411,956	11,117,139	6.01	100%	241,877
DiaSorin Ltd	Dartford (UK)	GBP	500	3,116,711	1,755,904	1	100%	500
DiaSorin Molecular LLC	Cypress (USA)	USD	100,000	24,738,444	294,897,800	100,000	0%	1
DiaSorin Mexico S.A de C.V.	Mexico City (Mexico)	MXP	63,768,473	13,374,600	61,086,192	1	100%	49,999
DiaSorin Deutschland GmbH	Dietzenbach (Germany)	EUR	275,000	(2,479,373)	5,129,296	275,000	100%	1
DiaSorin AB	Solna (Sweden)	SEK	5,000,000	10,793,863	39,255,628	100	100%	50,000
DiaSorin Ltd	Rosh HaAyin (Israel)	ILS	100	812,000	18,380,000	1	100%	100
DiaSorin Austria GmbH	Wien (Austria)	EUR	35,000	935,393	4,727,503	35,000	100%	1
DiaSorin Czech s.r.o.	Prague (Czech Republic)	CZK	200,000	4,586,000	88,430,000	200,000	100%	1
DiaSorin I.N. Limited	Dublin (Irland)	EUR	1	3,604,740	9,952,862	0.01	100%	100
DiaSorin South Africa (PTY) Ltd	Sandton (South Africa)	ZAR	101	149,493	4,440,073	1	100%	101
DiaSorin Australia (Pty) Ltd	Sydney (Australia)	AUD	3,300,000	1,394,115	13,902,908	33,000	100%	100
DiaSorin Ltd	Shanghai (China)	RMB	22,000,000	(29,518,982)	11,625,081	1	76%	16,720,000
DiaSorin Switzerland AG	Rotkreuz (Switzerland)	CHF	100,000	1,499,903	2,035,482	100	100%	1,000
DiaSorin Poland sp. z o.o.	Warsaw (Poland)	PLN	550,000	-	13,819,542	50	100%	11,000
DiaSorin Healthcare India Private Limited	Mumbai (India)	INR	4,700,000	2,176,990	264,782,809	10	0%	1
DiaSorin APAC Pte. Ltd.	Singapore (Singapore)	EUR	1	114,928	388,704	N/A	100%	1
DiaSorin Middle East FZ-LLC	Dubai (UAE)	AED	50,000	141,470	180,232	1,000	100%	50
Luminex Corporation Inc.	Austin (USA)	USD	25,000	(18,506,280)	1,739,679,262	0.001	0%	25,000,000

(*) Amounts stated in local currency

14. Deferred-tax assets

Deferred-tax assets amounted to € 385 thousand. They are recognized in the financial statements when their future use is deemed probable.

The balance reflects the deferred-tax assets computed on the temporary differences between the asset and liabilities amounts used to prepare the consolidated financial statements and the corresponding amounts used for tax purposes. A more detailed description of the fiscal effect of temporary differences that generated deferred-tax assets is provided below:

(in € thousands)	**12/31/2023**	**12/31/2022**
Positive changes:		
Amortization /intangible assets	178	147
Provisions for risks and charges	30	118
Provisions for employee benefits	88	72
Unrealized exchange differences	-	-
Other charges deductible in future years	99	213
Total	**395**	**550**
Negative changes:		
Amortization	-	-
Unrealized exchange differences	(10)	(2)
Total	**(10)**	**(2)**
Total deferred-tax assets	**385**	**548**

15. Trade receivables

Trade receivables were € 40,651 thousand at December 31, 2023 and are almost entirely due from Group companies. There are no amounts owed by public institutions

The allowance for doubtful accounts amounted to € 81 thousand. The main changes occurred at December 31, 2023, are provided below:

(in € thousands)	**12/31/2023**	**12/31/2022**
Opening balance	**81**	**4,516**
Contribution in kind	**-**	**(3,256)**
Additions for the year	-	-
Reversal for the year	-	(1,179)
Closing balance	**81**	**81**

16. Financial receivables and other non-current financial assets

The balance of € 37,419 thousand includes primarily:

- € 22,458 thousand in loans provided to Group companies (of which € 684 thousand for the current portion and € 21,774 thousand for non-current portion);
- Positive balances arising from the centralized cash management system managed by the Group's Parent Company, amounting to € 14,961 thousand.

The change in loans provided to Group companies is as follows:

Subsidiary	**Balance at 12/31/2023**	**Balance at 12/31/2022**
Diasorin I.N. Limited	9,067	17,067
Diasorin Slovakia sro	-	274
Diasorin Sa de CV (Mexico)	272	914
Diasorin Middle East FZ-LLC (Dubai)	139	136
Diasorin LTD (China)	12,980	14,405
Total loans	**22,458**	**32,796**

At December 31, 2023, all outstanding loans accrue fixed or floating interest rate, as contractually defined and in line with market conditions applicable to the lending operation.

17. Other current and non-current assets

Other current assets amounted to € 33,305 thousand and include amounts due from tax authorities.

Other non-current assets amounted to € 404 thousand.

18. Cash and cash equivalents

Cash and cash equivalents amounted to € 32,374 thousand at December 31, 2023 and consist of balances in banks accounts. More detailed information on changes affecting cash and cash equivalents is provided in the Statement of Cash Flows.

19. Shareholders' equity

Share capital

At December 31, 2023, the fully paid-in share capital consisted of 55,948,257 common shares, par value of 1 € each. No changes occurred compared with December 31, 2022.

Treasury shares

At December 31, 2023, the amount of treasury shares was 2,588,278, (4.63% of the share capital), totaling € 296,797 thousand (€ 281,277 thousand at December 31, 2022).

The increase compared to December 31, 2022, equal to € 15,520, is related to the net purchase of treasury shares (equal to € 28,689 thousand) and the exercise of 132,781 total options related to the 2017 Stock Option Plan (5,000 options) and to the 2018 Stock Option Plan (127,781 options), for a total amount of € 11,515 thousand.

Additional paid-in capital

This reserve amounted to € 18,155 thousand at December 31, 2023 and no changes occurred compared with December 31, 2022.

Statutory reserve

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

Other reserves and retained earnings

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

(in € thousands)	**12/31/2023**	**12/31/2022**	**change**
Currency translation reserve	(472)	(534)	62
Reserve for treasury shares	296,797	281,277	15,520
Stock option reserve	29,130	22,405	6,725
Gains/(losses) on remeasurement of defined benefit plans	(1,158)	(1,159)	1
Reserve for equity investments revaluation	6,303	5,287	1,016
Retained earnings	310,555	347,535	(36,980)
IFRS transition reserve	1,006	1,006	-
Total Other reserves and retained earnings	**642,161**	**655,817**	**(13,656)**

Currency translation reserve

The change of € 62 thousand in the currency translation reserve at December 31, 2023 is due to the translation into euros of the U.K. Branch balances.

Reserve for treasury shares

At December 31, 2023, the reserve for treasury shares amounted to € 296,797 thousand (€ 281,277 thousand at December 31, 2022). This reserve was established pursuant to law (Article 2357-*ter* of the Italian Civil Code). In 2023, changes in the reserve were due to the purchase of treasury shares for € 28,689 thousand, net of 132,781 total options exercised, relating to the 2017 Stock Option Plan (5,000 options) and to the 2018 Stock Option Plan (127,781 options), for a total amount of € 11,515 thousand.

Stock option reserve

The stock option reserve amounted to € 29,130 thousand (€ 22,405 thousand at December 31, 2022) and refers to the stock option plans that were outstanding at December 31, 2023 (described in Note 27). The changes in the reserve included both an increase due to the recognition of the overall cost of the stock option Plans for € 5,407 thousand that was posted and recognized in the income statement as labor costs included in general and administrative expenses and a decrease of € 540 thousand following the options exercised. Finally, this reserve included costs relating to options awarded to subsidiaries employees and recognized as increase in the value of equity investments (€ 1,858 thousand).

Gains/Losses on remeasurement of defined-benefit plans

At December 31, 2023 this item, negative by € 1,158 thousand, included net losses of the period related to the actuarial assessment of the Group's defined-benefit plans amounting to € 1 thousand, net of tax effect.

Retained earnings

Retained earnings amounted to € 310,555 thousand, due to:

- the appropriation of the net profit earned in 2022 (37,786 thousand);
- dividend distribution to shareholders, equal to € 58,870 thousand, approved on April 29, 2023 by the Ordinary Shareholders' Meeting (equal to € 1.10 per share);

IFRS transition reserve

The IFRS transition reserve was established on January 1, 2006, upon first-time adoption of the IFRSs as an offset to the adjustments recognized to make the financial statements prepared in accordance with Italian accounting principles consistent with IFRS requirements, net of the applicable tax effect (as required by and in accordance with IFRS 1). This reserve has not changed since it was first established.

The table below shows the components of shareholders' equity on the basis of availability for use and distribution:

(in € thousands)

Nature and description	**Amount**	**Possible use (*)**
Share capital	55,948	
Additional paid-in capital	18,155	A,B
Statutory reserve	11,190	B
Reserve for treasury shares	296,797	
Other reserves	34,809	A,B
Retained earnings	310,555	A,B,C

(*) Possible use

A: for share capital increase
B: to cover losses
C: for distribution to shareholders

20. Financial assets and liabilities

Financial assets amounted to € 121 thousand and include forward currency transactions carried out by the Company, in order to hedge risk from exchange rate fluctuations.

Payables for financial liabilities amounted to € 662,016 thousand at December 31, 2023. A breakdown is as follows (amount in thousands):

Type of financial liability	Currency	Current portion	Non-current portion	*Due beyond 1 year and within 5 years*	*Due beyond 5 years*	Total
IFRS 16 lease payables	€	345	742	742	-	1,087
Convertible Bond issued by DiaSorin S.p.A.	€	-	457,797	457,797	-	457,797
Revolving Credit Facility granted to DiaSorin S.p.A.	€	44,792	-	-	-	44,792
Total financial liabilities		**45,137**	**458,539**	**458,540**	**-**	**503,676**
Group's centralized cash management system / Intra-group financing facilities	€	158,339	-		-	158,339
TOTAL		**203,476**	**458,539**	**458,540**	**-**	**662,015**

In 2023, financial liabilities include a Revolving Credit Facility for € 45,000 thousand and notional interests and amortized cost, equal to € 9,232 thousand, accrued on the convertible bond. IFRS16 lease liabilities were € 1,087 thousand.

The table below lists the financial liabilities owed to outside lenders that were outstanding at December 31, 2023 (amounts in € thousands):

Type of financial liabilities	At December 31, 2022	Additions	Repayments	Interests accrued and amortized cost	Translation differences and other changes	At December 31, 2023
Convertible Bonds issued by Diasorin S.p.A.	448,565	-	-	9,232	-	457,797
IFRS 16 lease payables	1,097	391	-	(401)	-	1,087
Revolving Credit Facility granted to Diasorin S.p.A.	39,642	5,000	-	150	-	44,792
Other current financial liabilities	-	-	-	-	-	-
Total financial liabilities	**489,304**	**5,391**	**-**	**8,981**	**-**	**503,676**

As required by IAS 7, the table that follows provides financial liabilities: the flows shown are future cash flows determined on the basis of residual contractual maturities for both principal and interest.

Lender	At December 31, 2023	1 year	2 - 5 years	> 5 years	Total
Convertible Bonds issued by Diasorin S.p.A.	457,797	-	500,000	-	500,000
Revolving Credit Facility granted to Diasorin S.p.A.	44,792	45,000	-	-	45,000
IFRS 16 lease payables	1,087	361	778	-	1,139
Total financial liabilities	**503,676**	**45,361**	**500,778**	**-**	**546,139**

21. Provision for employee severance indemnities

The item amounted to € 782 thousand. The balance in this account reflects all of the Company's pension plan obligations, other post-employment benefits and benefits payable to employees when certain requirements are met. The Company provides post-employment benefits to its employees through defined-contribution and/or defined-benefit plans.

As a rule, benefits are based on each employee's level of compensation and years of service. The Company's obligations refer to the employees currently on its payroll.

Defined-contribution plans

When defined-contribution plans are used, the Company pays contributions to public or private insurance institutions pursuant to a statutory or contractual obligation or on a voluntary basis. With the payment of these contributions, the Company absolves all of its obligations.

The liability for contributions payable on the date of the financial statements is included under "Other current liabilities." The cost attributable to each year, which accrues based on the services provided by employees, is recognized as a labor cost of the relevant organizational unit. In 2023, this cost amounted to € 1,440 thousand.

Defined-benefit plans

The Company's pension plan that qualifies as a defined-benefit plan is the plan covered by the provision for employee severance indemnities accrued until December 31, 2006. The liability is recognized at its actuarial value using the projected unit credit method. Any resulting actuarial gains or losses are credited or charged to equity in the statement of comprehensive income in the period in which they arise.

Other employee benefits

The Company also provides its employees with additional long-term benefits, which are paid when employees reach a predetermined length of service. In these cases, the value of the liability recognized in the financial statements reflects the probability that these benefits will be paid and the length of time for which they will be paid. The liability owed under this plan is recognized at its actuarial value using the projected unit credit method.

Starting from 2019, a 2019-2022 four-year plan ("LTI Plan") was implemented in favor of seven key executives of the Group's Parent Company, including the Strategic Executives. The LTI Plan was adopted with the aim of their retention, as well as rewarding the achievement of important medium/long-term business targets in accordance with the Diasorin Group growth strategy. The LTI Plan envisages a stock option plan (the 2018 Plan, as described in Note 27) and a target cash bonus (totaling € 7 million gross) tied to the achievement of a specific objective. Upon achieving the target objective, the cash bonus was paid to each beneficiary by the end of April 2023, following the approval of the 2022 consolidated financial statements.

It should be noted that any resulting actuarial gains or losses recorded on the basis of these employees' benefits are recognized in the income statement. Losses recognized in 2023 were € 22 thousand (gains of € 163 thousand in 2022).

The table that follows summarizes the Company's main employee benefit plans that are currently in effect:

(in € thousands)	**12/31/2023**	**12/31/2022**	**Change**
Employees severance indemnities	382	395	(13)
Other long-term benefits	399	2,953	(2,553)
Total employee benefits	**782**	**3,348**	**(2,566)**

The "Provision for employee severance indemnities" reflects the Company's liability under the relevant Italian law (recently amended with the enactment of Law No. 296/06) for employee severance benefits vested up to December 31, 2006, which will be paid to employees at the end of their employment. Under certain specific conditions, advances may be disbursed to employees while still employed. This system constitutes a non-financed defined-benefit plan, since virtually all of the benefits have vested, except for inflation adjustments.

The table below shows a breakdown of the main changes that occurred in the Group's employee benefit plans in 2023:

(in € thousands)	**Defined-benefit plans**	**Other benefits**	**Total employee benefits**
Balance at 12/31/2022	**395**	**2,952**	**3,348**
Financial expense	11	10	21
Actuarial losses/(gains) recognized in income statement	-	22	22
Actuarial losses/(gains) from financial assumptions	2	-	2
Actuarial losses/(gains) from demographic changes	-	-	-
Actuarial losses/(gains) from experience	-	-	-
Current service cost	-	23	23
Benefits paid	(26)	(2,608)	(2,634)
Balance at 12/31/2023	**382**	**399**	**782**

The main changes in the provision for employee benefits include contributions paid (€ 2,634 thousand). The net amount recognized in the 2023 income statement for employee benefits was an expense of € 66 thousand (€ 602 thousand in 2022).

Actuarial losses/(gains) arising from other employee benefits and current service cost are recognized in the income statement as part of labor costs, allocated to the area to which they correspond. Interest expense is recognized in the income statement as part of "financial income/(expense)". Actuarial losses/(gains) on defined-benefit plans are credited or charged to equity in the statement of comprehensive income in the period in which they arise.

The table below lists the main assumptions used for actuarial computation purposes in the defined benefit plans:

	Employee severance indemnities	
	12/31/2023	**12/31/2022**
Discount rate	3.15%	3.55%
Projected wage increases	3.50%	3.50%
Inflation rate	2.08%	2.82%
Average employee turnover rate	7.16%	6.88%

A sensitivity analysis of changes in the main assumptions used for actuarial computation purposes is set out below:

(in € thousands)		**Employee severance indemnities**
Discount rate		
	0.5% Increase	(10)
	0.5% Decrease	11
Projected wage increases		
	0.5% Increase	-
	0.5% Decrease	-
Inflation rate		
	0.5% Increase	7
	0.5% Decrease	(7)
Average employee turnover rate		
	10% Increase	0
	10% Decrease	(0)

22. Provisions for risks and charges

Provisions for risks and charges amounted to € 100 thousand.

23. Other non-current liabilities

Other non-current liabilities totaled € 1,282 thousand and include a long-term liability arising from put/call option rights under the Joint Venture agreement in China, recognized according to IAS 32 and IFRS 9 accounting standards.

24. Trade payable

At December 31, 2023, trade payables, which totaled € 12,274 thousand, and include € 5,506 thousand owed to related parties. There are no amounts due after 2023.

25. Other current liabilities

Other current liabilities of € 8,484 thousand at December 31, 2023 consist mainly of amounts owed to employees for additional monthly payments to be paid, contributions payable to social security and health benefit institutions

26. Commitments and contingent liabilities

Guarantees provided and received

At December 31, 2023 the guarantees that the Group's Parent Company provided to third parties totaled € 654,821 thousand and include bank sureties in connection with the submission of bids in response to public calls for tenders (€ 2,769 thousand), guarantees to secure credit lines provided to Group companies (€ 650,274 thousand), and defined-contribution pension plans associated with the Swedish subsidiary (€ 1,778 thousand).

Significant commitments and contractual obligations

There are no significant contractual obligations as those previously executed with Stratec for the development and production of the LIAISON XL and the new LIAISON XS analyzers fall within the scope of Diasorin Italia S.p.A..

27. Stock option plans

2016 Plan

On April 28, 2016, the Ordinary Shareholders' Meeting approved the new 2016 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.

The Board of Directors approved an initial tranche of beneficiaries with a grant of 130,000 options by a resolution dated May 16, 2016, a second tranche with a grant of 20,000 options by a resolution dated August 4, 2016, a third tranche with a grant of 40,000 options by a resolution dated December 19, 2016, a fourth tranche with a grant of 40,000 options by a resolution dated August 3, 2017, a fifth tranche with a grant of 25,000 options by a resolution dated March 7, 2018, a sixth tranche with a grant of 20,000 options by a resolution dated November 7, 2018 and a seventh tranche with a grant of 25,000 by a resolution dated March 14, 2019.

Please note that, due some "bad leaver" and "good leaver" events, 104,849 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 250,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2016 Plan.

On May 12, 2016, the company announced the start of the treasury shares buy-back plan to service the Stock Option Plan, under the terms and conditions authorized by the Shareholders' Meeting of April 28, 2016.

The program was completed on June 9, 2016, resulting in the purchase of 250,000 common shares (equal to 0.44% of the share capital). The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the Diasorin common shares for the stock market trading session preceding each purchase.

At December 31, 2023, stock options amounted to 16,699. No stock option was exercised in 2023.

As detailed

2016 Plan	Grant date	Number of outstanding options	Parent Company's options
V Tranche	March 7, 2018	4,699	-
VI Tranche	November 7, 2018	2,000	-
VII Tranche	March 14, 2019	10,000	-
Total		**16,699**	

2017 Plan

On April 27, 2017, the Ordinary Shareholders' Meeting approved the new 2017 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.

The Board of Directors approved a first tranche of beneficiaries with a grant of 170,000 options by a resolution dated November 9, 2017, a second tranche with a grant of 10,000 options by a resolution dated March 7, 2018, a third tranche with a grant of 40,000 options by a resolution dated May 8, 2018, a fourth tranche with a grant of 15,000 options by a resolution dated November 7, 2018, a fifth tranche with a grant of 10,000 options by a resolution dated March 14, 2019, a sixth tranche with a grant of 10,000 options by a resolution dated June 10, 2019, a seventh tranche with a grant of 65,000 options by a resolution dated July 31, 2019, an eighth tranche with a grant of 45,000 options by a resolution dated November 6, 2019, a ninth tranche with a grant of 30,000 options by a resolution dated 19 December, 2019, a tenth tranche with a grant of 5,000 options by a resolution dated March 11, 2020, an eleventh tranche with a grant of 20,000 options by a resolution dated May 13, 2020 and a twelfth tranche with a grant of 56,122 options by a resolution dated July 30, 2020.

It should be noted due some "bad leaver" and "good leaver" events, 82,752 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 450,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2017 Plan.

The Shareholders' Meeting of April 27, 2017 resolved to authorize, pursuant to and for the purposes of Article 2357 of the Italian Civil Code, the purchase, in one or more installments and for a period of 18 months from the date of the resolution, the purchase of up to 450,000 common shares to service the new 2017 Stock Option Plan. The program was implemented in April 2018 with the purchase of 100,000 common shares (equal to 0.18% of the share capital) and continued throughout 2020 along with the 2019 Stock Option Plan, ended on October 23, 2020.

The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the Diasorin common shares for the stock market trading session preceding each purchase

At December 31, 2023, stock options amounted to 151,992, following the exercise of 5,000 options in February 22, 2023 at an average exercise price of € 82,4239 and with4,632 reaching their expiration date on December 20 ,2023.

During the abovementioned period, the average price of the Diasorin shares was € 114.36.

As detailed:

2017 Plan	Grant date	Number of outstanding options	Parent Company's options
VI Tranche	June 10, 2019	5,000	5,000
VII Tranche	July 31, 2019	52,500	15,000
VIII Tranche	November 6, 2019	25,000	-
IX Tranche	December 19, 2019	15,000	-
X Tranche	March 11, 2020	5,000	5,000
XI Tranche	May 13, 2020	20,000	20,000
XII Tranche	July 30, 2020	29,492	11,122
Total		**151,992**	**56,122**

2018 Plan

On April 23, 2018, the Ordinary Shareholders' Meeting approved the 2018 Stock Option Plan for senior executives and key employees of Diasorin S.p.A. and its subsidiaries.

The Board of Directors approved an initial tranche of beneficiaries with a grant of 675,000 options by a resolution dated May 8, 2018

Please note that, due some "bad leaver" and "good leaver" events, 12,219 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 675,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2018 Plan.

On May 3, 2018, the company announced the start of the treasury shares buy-back plan to service the 2018 Stock Option Plan, under the terms and conditions authorized by the Shareholders' Meeting of April 23, 2018. The program was completed on July 4, 2018, resulting in the purchase of 675,000 common shares (equal to 1.21% of the share capital). The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the Diasorin common shares for the stock market trading session preceding each purchase.

At December 31, 2023, stock options amounted to 535,000 (of which 460,000 referred to the Parent Company), all referred to the grant on May 8, 2018, following 7,001 options exercised on December 7, 2023, at an average exercise price of € 76.24, and 20,780 options exercised on December 8, 2023, at an average exercise price of € 76.24, and 58,203 options exercised on December 19, 2023 at an average exercise price of € 76.24 and 41,797 options exercised on December 20, 2023, at an average exercise price of € 76.24. During the abovementioned period, the average price of the Diasorin shares was € 91.06.

2019 Plan

On April 24, 2019, the Ordinary Shareholders' Meeting approved the 2019 Stock Option Plan for senior executives and key employees of Diasorin S.p.A. and its subsidiaries.

The Board of Directors approved a first tranche of beneficiaries with a grant of 8,878 options by a resolution dated July 30, 2020, a second tranche with a grant of 91,122 options by a resolution dated November 11, 2020, and a third tranche with a grant of 5,000 options by a resolution dated November 11, 2021.

Please note that, due some "bad leaver" and "good leaver" events, 5,000 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 100,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2019 Plan.

On June 17, 2020, the company announced the start of the treasury shares buy-back plan to service the 2019 Stock Option Plan, under the conditions and terms authorized by the Shareholders' Meeting of April 24, 2019. The program was completed on October 23, 2020, resulting in the purchase of 192,511 common shares (equal to 0.3441% of the share capital), partly to serve the 2017 Stock Option Plan. The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the Diasorin common shares for the stock market trading session preceding each purchase.

At December 31, 2023, stock options amounted to 100,000 (of which 80,000 referred to the Parent Company).

As detailed:

2019 Plan	Grant date	Number of outstanding options	Parent Company's options
I Tranche	July 30, 2020	8,878	8,878
II Tranche	November 11, 2020	86,122	66,122
III Tranche	November 11, 2021	5,000	5,000
Total		**100,000**	**80,000**

2020 Plan

On June 10, 2020, the Ordinary Shareholders' Meeting approved the 2020 Stock Option Plan for senior executives and key employees of Diasorin S.p.A. and its subsidiaries.

The Board of Directors approved an initial tranche of beneficiaries with a grant of 18,878 options by a resolution dated November 11, 2020, a second tranche of beneficiaries with a grant of 15,000 options by a resolution dated December 21, 2020, a third tranche of beneficiaries with a grant of 60,000 options by a resolution dated March 11, 2021, a fourth tranche of beneficiaries with a grant of 5,000 options by a resolution dated May 14, 2021, a fifth tranche with a grant of 40,000 options by a resolution dated July 30, 2021, a sixth tranche with a grant of 11,122 options by a resolution dated November 11, 2021 and a seventh tranche with a grant of 3,654 options by a resolution dated December 1, 2022.

Please note that, due some "bad leaver" and "good leaver" events 19,193 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 150,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2020 Plan.

On April 6, 2021, the company announced the start of the treasury shares buy-back plan to service the Stock Option Plan of the company, under the conditions and terms authorized by the Shareholders' Meeting of April 10, 2020. The program was completed on November 2, 2020, resulting in the purchase of 100,000 common shares (equal to 0.1718% of the share capital). The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the Diasorin common shares for the stock market trading session preceding each purchase.

At December 31, 2023, stock options amounted to 134,461 (of which 80,000 referred to the Parent Company).

As detailed:

2020 Plan	Grant date	Number of outstanding options	Parent Company's options
I Tranche	November 11, 2020	18,878	8,878
II Tranche	December 21, 2020	15,000	15,000
III Tranche	March 11, 2021	45,807	5,000
V Tranche	July 30, 2021	40,000	40,000
VI Tranche	November 11, 2021	11,122	11,122
VII Tranche	December 1, 2022	3,654	-
Total		**134,461**	**80,000**

2021 Plan

On April 22, 2021, the Ordinary Shareholders' Meeting approved the 2021 Stock Option Plan for senior executives and key employees of Diasorin S.p.A. and its subsidiaries.

The Board of Directors approved a first tranche of beneficiaries with a grant of 48,878 options by a resolution dated November 11, 2021, a second tranche of beneficiaries with a grant of 50,000 options by a resolution dated May 6, 2022, a third tranche of beneficiaries with a grant of 36,346 options by a resolution dated December 1, 2022 and a fourth tranche of beneficiaries with a grant of 168,563 options by a resolution dated 9 May, 2023.

Please note that, due some "bad leaver" and "good leaver" events, 3,787 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.

These free option grants convey to the beneficiaries the right to acquire up to 300,000 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2021 Plan.

The Shareholders' Meeting of April 22, 2021, resolved to authorize, pursuant to and for the purposes of Article 2357 and 2357-ter c.c. of the Italian Civil Code, the purchase, in one or more installments and for a period of 18 months from the date of the resolution, the purchase of up to 300,000 common shares (equal to 0.536% of the share capital), to service the new 2021 Stock Option Plan.

On July 30, 2021, the company announced the start of the treasury shares buy-back plan.

At December 31, 2023, stock options amounted to 300,000 (of which 187,441 referred to the Parent Company), as detailed:

2021 Plan	Grant date	Number of outstanding options	Parent Company's options
I Tranche	November 11, 2021	45,091	18,878
II Tranche	May 6, 2022	50,000	-
III Tranche	December 1, 2022	36,346	-
IV Tranche	May 9, 2023	168,563	168,563
Total		**300,000**	**187,441**

2023 Plan

On April 28, 2023 the Ordinary Shareholders' Meeting approved the 2023 Stock Option for senior executives and key employees of Diasorin S.p.A. and its subsidiaries.

The Board of Directors approved a first tranche of beneficiaries with a grant of 301,437 options by a resolution dated May 9, 2023.

These free option grants convey to the beneficiaries the right to acquire up to 301,437 common shares at the exercised price, based on a ratio of 1 share (with a par value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2023 Plan.

On June 9, 2023, the company announced the start of the treasury shares buy-back plan to service the 2023 Stock Option Plan of the company, under the conditions and terms authorized by the Shareholders' Meeting of April 28, 2023. The program was completed on July 4, 2023 resulting in the purchase of 300,000 common shares (equal to 0.54% of the share capital). The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the Diasorin common shares for the stock market trading session preceding each purchase.

At December 31, 2023, stock options amounted to 301,437, all referred to the grant on May 9, 2023 and to the Parent Company.

2022 and 2023 Equity Awards Plans

On April 29, 2022, the Ordinary Shareholders' Meeting approved a new incentive and loyalty Plan called "Equity Awards Plan" for the managers of Diasorin S.p.A. and the other Diasorin Group's companies. The Plan is implemented through the free assignment of rights which, if accrued upon the fulfilment of the conditions, grant the right to receive – without consideration- ordinary treasury shares in the Company's portfolio, at a ratio of 1 share for each right accrued. In May 2022, the list of beneficiaries was approved and 53,478 rights were granted to receive treasury shares and in May 2023, a second list of beneficiaries was approved and 75,595 rights were granted.

Valuation of stock options and equity awards

The stock options granted to Directors/employees are measured at their fair value on the grant date in accordance with the method provided in IFRS 2 and the total cost of the plan thus determined is allocated over the vesting period.

The fair value computation method uses a binomial model and is based on the following assumptions:

A – Exercise Price

The exercise price was determined in accordance with Article 6.2 of the Plan's Regulation.

B – Stock Price

The value assigned to the underlying instrument for stock option valuation purposes is the daily closing price for Diasorin shares on the grant date.

C – Expected Volatility

The expected volatility of the underlying instrument measures the expected fluctuations in price/value over a given period of time. The measure of volatility used in the option pricing model used is the annualized standard deviation of the continuously compounded rates of return on an equity security over a period of time.

D – Employee Exit Rate

This rate, which reflects the probability that Directors or employees who are the recipients of stock option grants will leave the Company before the vesting date, was deemed to be 0%.

E – Risk-Free Rate

IFRS 2 requires the use of a risk-free interest rate that will be valid over the expected life of the options, with the term expected life meaning the length of time between the grant date and the expected option exercise date.

F – Dividend Yield

The value of stock options is also affected by assumptions about the dividend yield, which is the annual dividend paid per share stated as a percentage of the share price.

The table below lists the input data used for stock option valuation purposes and the number of options exercisable at December 31, 2023:

2016 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.000000000	€ 52.54	€ 52.25	€ 1.00	30.00%	0.00%	0.46%	1.70%	05/16/2016	05/16/2019
II Tranche	3.002739726	€ 56.31	€ 57.80	€ 1.00	30.00%	0.00%	0.14%	1.70%	08/04/2016	08/05/2019
III Tranche	3.002739726	€ 51.84	€ 53.65	€ 1.00	30.00%	0.00%	0.38%	1.70%	12/19/2016	20/12/2019
IV Tranche	3.005479452	€ 69.63	€ 73.05	€ 1.00	23.00%	0.00%	0.14%	1.50%	08/03/2017	08/04/2020
V Tranche	3.005479452	€ 70.05	€ 70.60	€ 1.00	23.00%	0.00%	0.33%	1.50%	03/07/2018	03/08/2021
VI Tranche	3.005479452	€ 82.42	€ 81.60	€ 1.00	25.00%	0.00%	0.44%	1.50%	11/07/2018	11/08/2021
VII Tranche	3.005479452	€ 86.04	€ 85.80	€ 1.00	25.00%	0.00%	0.25%	1.50%	3/14/2019	3/15/2022

2017 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.005479452	€ 78.47	€ 72.05	€ 1.00	23.00%	0.00%	-0.07%	1.50%	11/09/2017	11/10/2020
II Tranche	3.005479452	€ 70.05	€ 70.60	€ 1.00	23.00%	0.00%	0.14%	1.50%	03/07/2018	03/08/2021
III Tranche	3.008219178	€ 76.24	€ 78.30	€ 1.00	23.00%	0.00%	0.18%	1.50%	05/08/2018	05/10/2021
IV Tranche	3.005479452	€ 82.42	€ 81.60	€ 1.00	25.00%	0.00%	0.24%	1.50%	11/07/2018	11/8/2021
V Tranche	3.005479452	€ 86.04	€ 85.80	€ 1.00	25.00%	0.00%	0.12%	1.50%	03/13/2019	3/15/2022
VI Tranche	3.010958904	€ 95.35	€ 102.00	€ 1.00	25.00%	0.00%	-0.02%	1.50%	06/10/2019	6/13/2022
VII Tranche	3.005479452	€ 102.62	€ 105.00	€ 1.00	25.00%	0.00%	-0.24%	1.50%	07/31/2019	8/01/2022
VIII Tranche	3.005479452	€ 99.60	€ 104.30	€ 1.00	25.00%	0.00%	-0.08%	1.50%	11/06/2019	11/7/2022
IX Tranche	3.005479452	€ 119.28	€ 117.60	€ 1.00	25.00%	0.00%	-0.06%	1.50%	12/19/2019	12/20/2022
X Tranche	3.005479452	€ 110.44	€ 113.00	€ 1.00	25.00%	0.00%	-0.01%	1.50%	03/11/2020	3/13/2023
XI Tranche	3.005479452	€ 156.44	€ 172.50	€ 1.00	28.00%	0.00%	0.32%	1.50%	05/13/2020	5/15/2023
XII Tranche	3.002739726	€ 173.28	€ 167.50	€ 1.00	30.00%	0.00%	-0.17%	1.00%	07/30/2020	7/31/2023

2018 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	4.657534247	€ 76.24	€ 78.30	€ 1.00	23.00%	0.00%	0.49%	1.50%	05/08/2018	01/02/2023

2019 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.002739726	€ 173.28	€ 167.50	€ 1.00	30.00%	0.00%	-0.17%	1.00%	7/30/2020	7/31/2023
II Tranche	3.005479452	€ 189.05	€ 172.40	€ 1.00	30.00%	0.00%	-0.29%	1.00%	11/11/2020	11/13/2023
III Tranche	3.005479452	€ 186.15	€ 185.00	€ 1.00	34.00%	0.00%	-0.18%	1.00%	11/11/2021	11/12/2024

2020 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.005479452	€ 189.05	€ 172.40	€ 1.00	30.00%	0.00%	-0.29%	1.00%	11/11/2020	11/13/2023
II Tranche	3.002739726	€ 169.95	€ 171.70	€ 1.00	30.00%	0.00%	-0.30%	1.00%	12/21/2020	12/22/2023
III Tranche	3.005479452	€ 168.46	€ 144.30	€ 1.00	30.00%	0.00%	-0.23%	1.00%	3/11/2021	3/12/2024
IV Tranche	3.005479452	€ 145.50	€ 138.00	€ 1.00	34.00%	0.00%	-0.19%	1.00%	5/14/2021	5/15/2024
V Tranche	3.005479452	€ 164.23	€ 171.15	€ 1.00	34.00%	0.00%	-0.35%	1.00%	7/30/2021	7/31/2024
VI Tranche	3.005479452	€ 186.15	€ 185.00	€ 1.00	34.00%	0.00%	-0.18%	1.00%	11/11/2021	11/12/2024
VII Tranche	3.005479452	€ 131.73	€ 131.75	€ 1.00	25.00%	0.00%	2.86%	1.00%	12/01/2022	12/02/2025

2021 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.005479452	€ 186.15	€ 185.00	€ 1.00	34.00%	0.00%	-0.18%	1.00%	11/11/2021	11/12/2024
II Tranche	3.005479452	€ 129.70	€ 119.59	€ 1.00	36.00%	0.00%	1.65%	1.00%	05/06/2022	05/07/2025
III Tranche	3.005479452	€ 131.73	€ 131.75	€ 1.00	25.00%	0.00%	2.86%	1.00%	12/01/2022	12/02/2025
IV Tranche	3.005479452	€ 98.52	€ 102.20	€ 1.00	25.00%	0.00%	3.07%	1.10%	05/09/2023	05/10/2026

2023 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock Price reference date	Vesting date
I Tranche	3.005479452	€ 98.52	€ 102.20	€ 1.00	25.00%	0.00%	3.07%	1.10%	05/09/2023	05/10/2026

2022 "Equity Awards" PLAN	Vesting Date	Stock price at the valuation date	Risk Free Rate	Volatility	Dividend Yield
I Tranche	05/19/2023	118.10	0.3602%	25%	1%
II Tranche	05/20/2024	118.10	1.0735%	25%	1%
III Tranche	05/20/2025	118.10	1.3851%	25%	1%
IV Tranche	05/20/2026	118.10	1.5244%	25%	1%

2023 "Equity Awards" PLAN	Vesting Date	Stock price at the valuation date	Risk Free Rate	Volatility	Dividend Yield
I Tranche	04/29/2024	98.48	3.7800%	25%	1.1%
II Tranche	04/28/2025	98.48	3.4767%	25%	1.1%
III Tranche	04/28/2026	98.48	3.2460%	25%	1.1%
IV Tranche	04/28/2027	98.48	3.1175%	25%	1.1%

Based on the assumptions described above, the fair value of the 2016 Plan is equal to € 2,422 thousand, with a vesting period that goes from May 16, 2016 to March 15, 2022. The fair value per option is as follows (amounts in €):

2016 PLAN	Number of options on the vesting date	Fair Value per option
V Tranche	4,699	13.30140
VI Tranche	7,000	16.34540
VII Tranche	10,000	17.16720

Based on the assumptions described above, the fair value of the 2017 Plan is equal to € 6,947 thousand, with a vesting period that goes from November 9, 2017 to July 31, 2023. The fair value per option is as follows (amounts in €):

2017 PLAN	Number of options on the vesting date	Fair Value per option
VI Tranche	5,000	20.69650
VII Tranche	52,500	20.32530
VIII Tranche	25,000	20.97320
IX Tranche	15,000	22.79680
X Tranche	5,000	22.78360
XI Tranche	20,000	44.09502
XII Tranche	29,492	37.36410

Based on the assumptions described above, the fair value of the 2018 Plan is equal to € 9,922 thousand, with a vesting period that goes from May 8, 2018 to January 2, 2023. The fair value per option is as follows (amounts in €):

2018 PLAN	Number of options on the vesting date	Fair Value per option
I Tranche	535,000	15.46220

Based on the assumptions described above, the fair value of the 2019 Plan is equal to € 3,515 thousand, with a vesting period that goes from July 30, 2020 to November 12, 2024. The fair value per option is as follows (amounts in €):

2019 PLAN	Number of options on the vesting date	Fair Value per option
I Tranche	8,878	37.36410
II Tranche	86,122	34.17690
III Tranche	5,000	47.91980

Based on the assumptions described below, the fair value of the 2020 Plan is equal to € 5,153 thousand, with a vesting period that goes from November 11, 2020 to December 2, 2025. The fair value per option is as follows (amounts in €):

2020 PLAN	No. of options on the vesting date	Fair Value per option
I Tranche	18,878	34.17690
II Tranche	15,000	40.42982
III Tranche	45,807	26.48940
V Tranche	40,000	46.76244
VI Tranche	11,122	47.91980
VII Tranche	3,654	31.16386

Based on the assumptions described below, the fair value of the 2021 Plan is equal to € 8,757 thousand, with a vesting period that goes from November 11, 2021 to May 15, 2026. The fair value per option is as follows (amounts in €):

2021 PLAN	No. of options on the vesting date	Fair Value per option
I Tranche	45,091	47.91980
II Tranche	50,000	22.58670
III Tranche	36,346	31.16386
IV Tranche	168,563	25.71530

Based on the assumptions described below, the fair value of the 2023 Plan is equal to € 7,752 thousand, with a vesting period that goes from May 9, 2023 to May 10, 2026. The fair value per option is as follows (amounts in €):

2023 PLAN	No. of options on the vesting date	Fair Value per option
I Tranche	301,437	25.71530

Based on the assumptions described below, the fair value of the "Equity Awards" Plan is equal to € 7,803 thousand, with a vesting period that goes from May 20, 2022 to April 28, 2027. The fair value per option is as follows (amounts in €):

2022 "Equity Awards" PLAN	Number of Options	Fair Value per option
I Tranche	10,237	117.02
II Tranche	8,190	115.99
III Tranche	6,552	114.99
IV Tranche	5,242	113.99

2023 "Equity Awards" PLAN	Number of Options	Fair Value per option
I Tranche	15,119	97.55
II Tranche	12,095	96.63
III Tranche	9,676	95.72
IV Tranche	7,741	94.81

The cost attributable to 2023, which amounted to € 10,382 was recognized in the income statement as part of labor costs and general and administrative expenses, with the offsetting entries posted to shareholder's equity.

28. Related-party transactions

Diasorin S.p.A. engaged in commercial and financial transactions with its subsidiaries, which are also Group companies. These transactions, which are executed on standard market terms, consist of the supply of goods and services, including administrative, information technology, personnel management, technical support and consulting services, which produce receivables and payables at the end of the year, and financing and cash management transactions, which produce income and expenses.

The impact of these transactions on the individual components of financial statements, which was already disclosed in separate income statement and statement of financial position schedules provided for this purpose, is summarized in the tables that follow.

(in € thousands)	Revenues		Cost of sales		General & Administrative		Sales & marketing		Research & Development		Other operating result (expense)		Financial income (expense)	
Counterparty	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
DiaSorin S.A. - France	962	12,564	-	445	15	7	38	(43)	-	-	179	797	(35)	-
Diasorin Italia SpA	5,748	-	-	(1,162)	(1,323)	367	(1,188)	(161)	639	358	(1,724)	2,734	(1,583)	(19)
Diasorin Italia UK Branch	291	-	-	-	-	-	-	-	-	-	-	178	252	55
Diasorin Iberia S.A.	1,169	18,077	-	554	(148)	(150)	48	(124)	(9)	-	127	858	23	9
DiaSorin S.A./N.V - Benelux	796	9,226	-	259	24	14	31	8	-	-	(402)	(115)	7	1
DiaSorin Ltd – United Kingdom	720	6,794	-	207	9	7	31	6	-	-	(984)	(709)	238	11
DiaSorin Ireland Limited	-	-	-	-		-		-	-	-	-	-	-	-
DiaSorin Diagnostics Ireland Limited	-	-	-	-		-		-	-	-	-	-	-	-
DiaSorin I.N. Limited	-	-	-	(5,370)		-		-	-	-	-	-	744	472
DiaSorin IN.UK Limited	-	-	-	-		-		-	-	-	-	-	-	-
DiaSorin Deutschland GmbH	2,292	25,106	-	(8,234)	102	7	66	10	-	(57)	228	761	(70)	-
DiaSorin Austria GmbH	405	5,055	-	173	9	7	19	34	-	-	50	424	(32)	-
DiaSorin Switzerland AG	274	5,316	-	169	8	7	13	25	-	-	24	274	-	14
DiaSorin Poland sp. Z.o.o.	334	2,638	-	224	16	12	20	20	-	-	89	262	4	21
DiaSorin AB - Sweden	398	5,263	-	138	9	7	22	10	-	-	46	274	(34)	6
DiaSorin Czech s.r.o.	221	2,247	-	124	8	7	16	4	-	-	46	198	-	-
DiaSorin Slovakia sro	73	746	-	66	8	7	2	4	-	-	46	75	3	4
DiaSorin Inc. – United States	5,353	26,816	-	(29,882)	2	(133)	3	8	(6)	(476)	(23)	3,867	(1,768)	(24)
DiaSorin Canada Inc	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DiaSorin Ltda - Brazil	131	3,272	-	-	-	-	33	4	-	-	-	65	-	1
DiaSorin Mexico S.A de C.V.	252	1,710	-	5	-	-	23	(278)	-	-	-	148	84	119
DiaSorin Ltd - Israel	222	631	-	-	7	28	14	12	-	-	-	226	-	-
DiaSorin Ltd - China	291	16,453	-	229	3	-	6	4	-	(5)	-	(123)	552	630
DiaSorin Trivitron Healthcare Private Limited	58	2,321	-	25	-	-	32	4	-	-	-	35	-	-
DiaSorin South Africa (PTY) Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DiaSorin Middle East FZ-LLC	-	-	-	-	-	-	-	-	-	-	-	(300)	8	-
DiaSorin APAC Pte Ltd	-	-	-	-	-	-	25	-	-	-	-	(412)	-	4
DiaSorin Australia (Pty) Ltd	357	3,538	-	(10)	8	11	-	9	-	-	-	268	-	-
DiaSorin Molecular LLC	1,019	7,055	-	(19,133)	65	78	-	-	2	1,714	-	1,158	-	-
Luminex Corporation	3,440	-	-	(1,249)	(49)	(26)	(257)	(329)	(12)	(411)	(569)	1,609	-	-
Total Group companies	**24,806**	**154,828**	**-**	**(62,422)**	**(1,228)**	**257**	**(1,001)**	**(773)**	**614**	**1,123**	**(2,868)**	**12,551**	**(1,607)**	**1,303**
Executives with strategic responsibilities	-	-	-	-	(7,110)	(6,813)	-	-	-	-	-	-	-	-
Directors	-	-	-	-	(1,180)	(1,034)	-	-	-	-	-	-	-	-
Other related parties	-	-	-	-	(8,290)	(7,847)	-	-	-	-	-	-	-	-
Total Group companies and other related parties	**24,806**	**154,828**	**-**	**(62,422)**	**(9,518)**	**(7,590)**	**(1,001)**	**(773)**	**614**	**1,123**	**(2,868)**	**12,551**	**(1,607)**	**1,303**
As a percentage on line items	**100.0%**	**59.5%**	**-**	**45.2%**	**27.6%**	**19.9%**	**7.9%**	**3.1%**	**15.3%**	**7.4%**	**-28.9%**	**-218.0%**	**-16.2%**	**-22.6%**

(in € thousands)	Trade receivables		Current financial receivables		Non-current financial receivables		Trade payables		Current financial payables		Other current liabilities		Other non-current liabilities		Other current financial liabilities		Other non-current financial liabilities	
Counterparty	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
DiaSorin S.A. - France	437	357	-	-	-	-	-	-	(1,855)	(2,427)	-	-	-	-	-	-	-	-
Diasorin Italia SpA	23,894	25,666	-	-	-	-	(2,343)	(5,363)	(133,897)	(94,733)	-	-	-	-	(131)	(123)	(439)	(570)
Diasorin Italia UK Branch	31	117	6,623	4,705	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Diasorin Iberia S.A.	628	348	2,508	2,056	-	-	(187)	(216)	-	(2,776)	-	-	-	-	-	-	-	-
DiaSorin S.A./N.V - Benelux	334	284	963	975	-	-	(502)	(721)	(4,199)	(4,279)	-	-	-	-	-	-	-	-
DiaSorin Ltd – United Kingdom	377	294	4,867	4,222	-	-	(418)	(276)	-	-	-	-	-	-	-	-	-	-
DiaSorin Ireland Limited	-	-	-	-	-	-	-	-	-	(19,853)	-	-	-	-	-	-	-	-
DiaSorin I.N. Limited	567	2,868	-	-	9,067	17,067	-	-	(3,253)	(1,800)	-	-	-	-	-	-	-	-
DiaSorin Diagnostics Ireland Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DiaSorin IN.UK Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DiaSorin Deutschland GmbH	980	1,069	-	-	-	-	-	-	(5,790)	(5,670)	-	-	-	-	-	-	-	-
DiaSorin Austria GmbH	88	231	-	-	-	-	-	-	(2,011)	(2,014)	-	-	-	-	-	-	-	-
DiaSorin Switzerland AG	94	118	-	-	-	-	-	-	(914)	(4,013)	-	-	-	-	-	-	-	-
DiaSorin Poland sp. Z .o.o.	194	119	-	34	-	-	-	-	(409)	-	-	-	-	-	-	-	-	-
DiaSorin AB - Sweden	241	116	-	-	-	-	-	-	(5,012)	(5,577)	-	-	-	-	-	-	-	-
DiaSorin Czech s.r.o.	159	89	-	-	-	-	-	-	(781)	(356)	-	-	-	-	-	-	-	-
DiaSorin Slovakia sro	14	19	-	137	-	137	-	-	(217)	(45)	-	-	-	-	-	-	-	-
DiaSorin Inc. – United States	2,741	1,380	-	-	-	-	(21)	(8)	(2)	-	-	-	-	-	-	-	-	-
DiaSorin Canada Inc	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DiaSorin Ltda - Brazil	81	39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DiaSorin Mexico S.A de C.V.	132	126	272	700	-	214	-	-	-	-	-	-	-	-	-	-	-	-
DiaSorin Ltd - Israel	77	41	-	-	-	-	-	(13)	-	-	-	-	-	-	-	-	-	-
DiaSorin Ltd - China	618	270	273	847	12,707	13,558	-	-	-	-	-	-	-	-	-	-	-	-
DiaSorin Trivitron Healthcare Private Limited	211	121	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DiaSorin South Africa (PTY) Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DiaSorin APAC Pte Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DiaSorin Australia (Pty) Ltd	1,048	777	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DiaSorin Molecular LLC	386	2,308	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DiaSorin Middle East FZ-LLC	-	-	139	135	-	-	(11)	(12)	-	-	-	-	-	-	-	-	-	-
Luminex Corporation	7,130	3,306	-	-	-	-	(2,023)	(1,757)	-	-	-	-	-	-	-	-	-	-
Luminex Molecular Diagnostics INC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Group companies	**40,462**	**40,063**	**15,645**	**13,811**	**21,774**	**30,976**	**(5,506)**	**(8,366)**	**(158,338)**	**(143,543)**	**-**	**-**	**-**	**-**	**(131)**	**(123)**	**(439)**	**(570)**
Executives with strategic responsibilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Directors	-	-	-	-	-	-	-	-	-	-	(82)	(65)	-	(2,608)	-	-	-	-
Other related parties	-	-	-	-	-	-	-	-	-	-	(82)	(65)	-	(2,608)	-	-	-	-
Total Group companies and other related parties	**40,462**	**40,063**	**15,645**	**13,811**	**21,774**	**30,976**	**(5,506)**	**(8,366)**	**(158,338)**	**(143,543)**	**(82)**	**(65)**	**-**	**(2,608)**	**(131)**	**(123)**	**(439)**	**(570)**
As a percentage on line items	**99.5%**	**99.8%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**44.9%**	**50.3%**	**77.8%**	**78.2%**	**1.0%**	**0.7%**	**0.0%**	**77.9%**	**10.2%**	**0.0%**	**-0.1%**	**0.0%**

29. Significant events occurring after December 31, 2023 and business outlook

No significant events occurred after December 31, 2023.

The Company does not expect negative material impacts deriving from the military conflicts in Ukraine and in the Middle East, as it is not significantly exposed in these areas.

30. Significant non-recurring events and transactions

According to the ESMA Communication no. n. 32-63-1186 of 29 October 2021, there were no significant non-recurring events and transactions.

31. Transactions resulting from atypical and/or unusual activities

In 2023, there were no transactions resulting from atypical and/or unusual activities, as defined in the Consob Communication dated July 28, 2006 (see the definition provided in the Financial Statement Presentation Format section of this Report).

32. Other information

Law no. 124 of 4 August 2017 (the Annual Market and Competition Law) defined that, as from 2019, companies receiving grants, financial support, remunerated duties and any kind of economic benefits from Public Administrations and similar bodies are required to publish such amounts in the Note to the financial statements and consolidated financial statements.

10. Annex III: Disclosure required pursuant to art. 149-duodecies of the CONSOB Issuers' Regulation

(in € thousands)	**Party providing the service**	**Recipient**	**Fees attributable to 2023**
Independent Auditing	PricewaterhouseCoopers S.p.A.	Group's Parent company S.p.A.	535
Other services	PricewaterhouseCoopers S.p.A.	Group's Parent company S.p.A.	10
Total			**545**

11. Certification of the statutory financial statements pursuant to art. 81-ter of Consob Regulation no. 11971 of May 14,1999 as amended

i) We, the undersigned, Carlo Rosa, in my capacity as Chief Executive Officer, and Piergiorgio Pedron, in my capacity as Corporate Accounting Documents Officer, of the issuer Diasorin S.p.A.,

attest that

insofar as the provisions of Article 154-*bis,* Sections 3 and 4, of Legislative Decree No. 58 of February 24, 1998 are concerned the administrative and accounting procedures applied to prepare the 2023 statutory financial statements are:

a) adequate in light of the Company's characteristics; and

b) applied effectively

2. Moreover, we attest that:

2.1 the statutory financial statements at December 31, 2023:

a) have been prepared in accordance with the applicable international accounting standards recognized by the €pean Union, pursuant to Regulation (EC) No. 1606/2002 of the €pean Parliament and Council dated July 19, 2002;

b) are consistent with the data in the supporting documents and accounting records;

c) are suitable for the purpose of providing a truthful and fair representation of the balance sheet, operating performance and financial position of the issuer

2.2 the Report on Operations provides a reliable analysis of the Issuer's performance and result from operations and of the status of the issuer, together with a description of the main risks and uncertainties to which they are exposed.

Saluggia, March 15, 2024

Signed:

The Chief Executive Officer

Carlo Rosa

The Corporate Accounting Document Officer

Piergiorgio Pedron

12. Report of the Board of Statutory Auditors

RELAZIONE DEL COLLEGIO SINDACALE SULL'ESERCIZIO 2023

ALL'ASSEMBLEA DEGLI AZIONISTI AI SENSI DELL'ART. 153 D.LGS. 58/1998

Signori Azionisti,

nel corso dell'esercizio chiuso al 31 dicembre 2023, il Collegio Sindacale di DiaSorin S.p.A. (di seguito la Società o DiaSorin), in ottemperanza al disposto dell'art. 149 del D. Lgs. 58/98 TUF ha svolto le attività di vigilanza, in conformità alla legge, osservando le comunicazioni Consob in materia di controlli societari e attività del Collegio Sindacale (in particolare, comunicazione 20 febbraio 1997, n. DAC/RM 97001574 e comunicazione n. DEM 1025564 del 6 aprile 2001, successivamente integrata con comunicazione n. DEM/3021582 del 4 aprile 2003 e comunicazione n. DEM/6031329 del 7 aprile 2006), tenendo anche conto dei principi di comportamento raccomandati dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili e delle indicazioni contenute nel Codice di Corporate Governance, approvato nel gennaio 2020 e promosso dal Comitato per la *Corporate Governance*.

Inoltre, avendo la Società adottato il modello di governance tradizionale, il Collegio Sindacale si identifica con il "Comitato per il controllo interno e la revisione contabile" cui competono ulteriori specifiche funzioni di controllo e monitoraggio in tema di informativa finanziaria e revisione legale, previste dall'art. 19 del D. Lgs. 27 gennaio 2010 n. 39, così come modificato dal D. Lgs. 17 luglio 2016 n. 135.

L'attuale Collegio Sindacale, nominato il 29 aprile 2022 dall'Assemblea degli Azionisti di DiaSorin e in carica per il triennio 2023-2024, ossia sino alla data dell'Assemblea che sarà convocata per l'approvazione del Bilancio che chiuderà al 31 dicembre 2024, è così composto:

- Sindaci Effettivi: dott.ssa Monica Mannino (Presidente), dott.ssa Ottavia Alfano, dott. Matteo Sutera;
- Sindaci Supplenti: dott. Cristian Tundo, avv. Romina Guglielmetti.

Ai sensi dell'art. 144-quinquiesdecies del Regolamento Emittenti, approvato dalla Consob con deliberazione 11971/99 e successive modificazioni ed integrazioni, l'elenco degli incarichi ricoperti dai componenti del Collegio Sindacale presso le società di cui al Libro V, Titolo V, Capi V, VI e VII del Codice Civile è pubblicato, ricorrendone i presupposti, dalla Consob sul proprio sito internet (www.consob.it).

La Società riporta nella Relazione sul Governo Societario e gli Assetti Proprietari i principali incarichi rivestiti dai componenti del Collegio Sindacale.

Il Collegio dà atto del rispetto, da parte di tutti i propri componenti, delle richiamate disposizioni regolamentari della Consob in tema di "limite al cumulo degli incarichi".

Si dà atto che la composizione del Collegio Sindacale in carica risulta conforme alle disposizioni in materia di diversità di genere di cui all'art.148, comma 1bis del D. Lgs. 58/1998, come modificato dall'art. 1, comma 303, L. 27 dicembre 2019 n. 160, e applicato ai sensi dell'art. 1, comma 304 della stessa legge nonché secondo quanto disposto dall'art. 144-*undecies*.1 del Regolamento Emittenti.

Il Collegio Sindacale ha effettuato la periodica verifica del rispetto dei criteri di indipendenza, oltre che di professionalità e onorabilità, in capo ai propri componenti come previsto, tanto dalla legge (art. 148 comma 3 e 4 del TUF), quanto dai principi enunciati nelle *Norme di comportamento del Collegio Sindacale* raccomandati dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili, nonché dal *Codice di Corporate Governance* (edizione gennaio 2020 - raccomandazioni 7 e 9), prendendo atto che i propri componenti:

- non ricadono in alcuna situazione di ineleggibilità, incompatibilità e decadenza prevista in relazione alla carica di Sindaco dalla legge, dalla regolamentazione e dallo Statuto Sociale;
- possiedono i requisiti di onorabilità e professionalità prescritti dalla normativa applicabile e, specificamente, i requisiti stabiliti per i membri degli organi di controllo con Regolamento emanato ai sensi dell'art. 148, comma 4 del D. Lgs. n. 58/1998;
- rispettano le disposizioni relative ai limiti al cumulo degli incarichi previsti dalla normativa vigente.

L'incarico di revisione legale dei conti della Società è svolto dalla Società di Revisione PricewaterhouseCoopers S.p.A. (in seguito: la "Società di Revisione") per la durata di 9 esercizi (2016-2024) come deliberato dall'Assemblea del 28 aprile 2016.

Si dà atto che l'Assemblea del 29 aprile 2022 ha nominato un Consiglio di Amministrazione composto da amministratori esecutivi e non esecutivi, tutti dotati di professionalità e competenza adeguate ai compiti loro affidati.

Si dà atto che la composizione del Consiglio di Amministrazione in carica risulta conforme alle disposizioni in materia di diversità di genere di cui all'articolo 148, comma 1bis del D. Lgs 58/1998, come modificato dall'articolo 1, comma 303, l. 27 dicembre 2019 n.160, e applicato ai sensi dell'articolo 1, comma 304 della stessa legge nonché secondo quanto disposto dall'art. 144-undecies.1 del Regolamento Emittenti. L'attuale composizione del Consiglio rispetta i suddetti limiti al cumulo approvati dall'organo amministrativo in data 16 dicembre 2021, verificati da ultimo in occasione della riunione del Consiglio del 15 marzo 2024.

****

I compiti di vigilanza del Collegio Sindacale sono disciplinati dal D. Lgs. 58/1998 e dal D. Lgs. 39/2010. Il Collegio ha tenuto conto delle modifiche occorse al D. Lgs. 39/2010 con il D. Lgs 135/2016 in attuazione della Direttiva 2014/56/UE, e del Regolamento Europeo 537/2014.

Sulle attività di vigilanza svolte nel corso dell'esercizio, considerate le indicazioni fornite dalla Consob con comunicazione n. DEM 1025564 del 6 aprile 2001, modificata e integrata con comunicazione DEM/3021582 del 4 aprile 2003, e successivamente con comunicazione n. DEM/6031329 del 7 aprile 2006, il Collegio rappresenta di avere:

- partecipato all'Assemblea degli Azionisti del 28 aprile 2023;
- partecipato alle riunioni del Consiglio di Amministrazione, ottenendo dagli amministratori, con periodicità almeno trimestrale, adeguate informazioni sul generale andamento della gestione e sulla sua prevedibile evoluzione, nonché sulle operazioni di maggiore rilievo, per dimensioni e caratteristiche, effettuate dalla Società e dalle sue controllate;
- acquisito gli elementi di conoscenza necessari per svolgere l'attività di verifica del rispetto della legge, dello statuto, dei principi di corretta amministrazione e dell'adeguatezza e del funzionamento della struttura organizzativa della Società, attraverso l'acquisizione di documenti e di informazioni dai responsabili delle funzioni interessate, e di periodici scambi di informazione con la Società di Revisione PricewaterhouseCoopers S.p.A;
- partecipato, alle riunioni del Comitato Controllo e Rischi e Sostenibilità, del Comitato per la Remunerazione e le Proposte di Nomina e del Comitato per le Operazioni con Parti Correlate;

vigilato sul funzionamento e sull'efficacia del sistema di controllo interno e sull'adeguatezza del sistema amministrativo e contabile, in particolare sotto il profilo di affidabilità di quest'ultimo a rappresentare i fatti di gestione tra l'altro, attraverso: (i) l'esame della valutazione positiva espressa dal Consiglio di Amministrazione sull'adeguatezza dell'assetto organizzativo, amministrativo e contabile della Società, con particolare riferimento al sistema di controllo interno e di gestione dei rischi, ai sensi dell'art. 2381, comma 3, del Codice Civile anche ai sensi del D. Lgs. n. 14 del 12 gennaio 2019, (ii) le informazioni rese disponibili dai responsabili delle diverse funzioni aziendali, (iii) l'esame dei documenti aziendali, (iv) l'analisi dei report e delle Relazioni emesse dalla funzione *Internal Audit* e il monitoraggio dei processi di mitigazione introdotti, (v) l'analisi dei risultati del lavoro svolto dalla società di revisione, avuto particolare riguardo al contenuto della Relazione aggiuntiva rilasciata il 2 aprile 2024 ai sensi dell'art. 11 del Regolamento Europeo 537 del 16 aprile 2014, (vi) l'esame della Relazione del Comitato Controllo Rischi e Sostenibilità, nonché la partecipazione costante ai lavori dello stesso con cui il Collegio, in linea con quanto avvenuto nei passati esercizi, ha intrattenuto continui confronti e scambi informativi,(vii) l'informativa ottenuta, nell'ambito di un continuo scambio informativo posto in essere con il *General Counsel* della Società per il monitoraggio dei contenziosi in corso, che ha beneficiato di costanti aggiornamenti in sede consiliare e, infine, (viii) gli scambi di informazioni con le società controllate, ai sensi dei commi 1 e 2 dell'art. 151 del D. Lgs. 58/1998;

scambiato tempestivamente con i responsabili della Società di Revisione, incaricata della revisione legale a norma del D.lgs. 58/1998 e del D. Lgs. 39/2010, i dati e le informazioni rilevanti per l'espletamento dei rispettivi compiti ai sensi dell'art. 150 del TUF, anche attraverso l'esame dei risultati del lavoro svolto e la ricezione delle relazioni previste dall'art. 14 del D.lgs. 39/2010 e dall'art. 11 del Regolamento Europeo 537/2014;

monitorato la funzionalità del sistema di controllo sulle società del Gruppo e l'adeguatezza delle disposizioni ad esse impartite, anche ai sensi dell'art. 114, 2° comma, del TUF;

- preso atto dell'avvenuta predisposizione della Relazione sulla Remunerazione ex art. 123-ter del TUF ed ex art. 84-quater del Regolamento Emittenti, senza osservazioni da segnalare;
- monitorato le concrete modalità di attuazione delle regole di governo societario adottate dalla Società in conformità al Codice di Corporate Governance;
- verificato, in relazione alla valutazione periodica da effettuarsi ai sensi dell'art. 2 del Codice di Corporate Governance (raccomandazioni 6 e 7), nell'ambito della vigilanza sulle modalità di concreta attuazione delle regole di governo societario, la corretta applicazione dei criteri e delle procedure di accertamento adottati dal Consiglio di Amministrazione, in merito alla valutazione positiva dell'indipendenza degli Amministratori;
- vigilato sulla conformità della procedura interna riguardante le Operazioni con Parti Correlate ai principi indicati nel Regolamento approvato dalla Consob con delibera n. 17221 del 12 marzo 2010 e successive modifiche, nonché sulla sua osservanza, ai sensi dell'art. 4, 6° comma, del medesimo Regolamento;
- vigilato sull'espletamento degli adempimenti correlati alla normativa europea riferita agli Abusi di Mercato (cd. MAR) e al trattamento delle informazioni privilegiate e delle procedure adottate a riguardo dalla Società;
- vigilato sul processo di informazione societaria, verificando l'osservanza da parte degli amministratori delle norme procedurali inerenti alla redazione, alla approvazione e alla pubblicazione del bilancio di esercizio e del bilancio consolidato;
- accertato l'adeguatezza, sotto il profilo del metodo, del processo di *impairment* attuato al fine di accertare l'eventuale esistenza di perdite di valore dell'avviamento e/o degli attivi iscritti a bilancio;
- esaminato, con l'assistenza del Dirigente Preposto alla redazione dei documenti contabili societari, le procedure amministrative e contabili relative all'attività di formazione del bilancio della Società, del bilancio consolidato e della relazione finanziaria semestrale, oltre che gli altri documenti contabili periodici;
- verificato che la Relazione degli Amministratori sulla Gestione fosse conforme alla normativa vigente, oltre che coerente con le deliberazioni adottate dal Consiglio di

Amministrazione e con i fatti rappresentati nel bilancio di esercizio e in quello consolidato;

- preso atto del contenuto della Relazione Semestrale consolidata al 30 giugno 2023, senza che sia risultato necessario esprimere osservazioni, nonché accertato che quest'ultima fosse stata resa pubblica secondo le modalità previste dalle vigenti disposizioni legislative e regolamentari;
- con riferimento alle informazioni periodiche aggiuntive, di cui all'art. 82-*ter* Regolamento Emittenti, preso atto che la Società ha continuato a fornire, su base volontaria e a mezzo comunicato stampa, i principali dati economico-finanziari consolidati ed aggiornamenti sull'andamento della gestione con cadenza trimestrale;
- svolto, nel ruolo del Comitato per il Controllo Interno e la Revisione contabile, ai sensi dell'art. 19, 1° comma, del D. Lgs. 39/10, come modificato dal D. Lgs. 135/16, le specifiche funzioni di informazione, monitoraggio, controllo e verifica ivi previste, adempiendo ai doveri e ai compiti indicati nella predetta normativa;
- vigilato sull'osservanza delle disposizioni stabilite dal D. Lgs. 254/2016, esaminando, tra l'altro, la Dichiarazione Consolidata di Carattere Non Finanziario, inserita all'interno della Relazione Finanziaria Annuale, accertando altresì il rispetto delle disposizioni che ne regolano la redazione ai sensi del citato decreto, anche alla luce delle indicazioni fornite all'ESMA nel documento del 25 ottobre 2023 sulle priorità di vigilanza;
- esaminato il progetto di bilancio di esercizio e il progetto di bilancio consolidato nonché le operazioni di maggiore rilievo economico, patrimoniale o finanziario, ivi incluse le operazioni con parti correlate o caratterizzate da un potenziale conflitto di interessi.
- monitorato, acquisendo informazioni dalle funzioni interessate, i contenziosi civili, amministrativi e fiscali in cui è coinvolta la Società.

Per quanto di nostra competenza, anche per il corrente anno l'attività di vigilanza sarà posta in essere per accertare l'adeguatezza delle azioni di governo che il Consiglio di Amministrazione riterrà opportuno adottare a sostegno e tutela del patrimonio sociale e della continuità aziendale e in materia di sicurezza degli ambienti di lavoro e del personale dipendente.

Nel corso dell'attività di vigilanza, svolta dal Collegio Sindacale, secondo le modalità sopra descritte, non sono emersi fatti da cui desumere il mancato rispetto della legge e dell'atto costitutivo o tali da giustificare segnalazioni alle Autorità di Vigilanza o la menzione nella presente relazione.

***

Di seguito vengono fornite le ulteriori indicazioni richieste dalla Comunicazione Consob n. DEM/1025564 del 6 aprile 2001 e successive modificazioni.

I. Sono state acquisite adeguate informazioni sulle operazioni di maggior rilievo economico, finanziario e patrimoniale effettuate dalla Società e dalle società da questa controllate. Le principali iniziative intraprese nel corso dell'esercizio sono esaurientemente trattate nella Relazione sulla Gestione e opportunamente rese note al mercato ai sensi di legge. Rileva qui ricordare che il 28 febbraio 2023 la Società ha venduto degli asset relativi alla Business Unit Flow Cytometry & Imaging a Cytek® Biosciences, operazione in linea con le priorità strategiche comunicate a seguito dell'acquisizione di Luminex.

II. Sulla base delle informazioni fornite dalla Società e dei dati acquisiti relativamente alle predette operazioni, il Collegio Sindacale ne ha accertato la conformità alla legge, all'atto costitutivo e ai principi di corretta amministrazione, assicurandosi che le medesime non fossero manifestamente imprudenti o azzardate, in potenziale conflitto di interessi, in contrasto con le delibere assunte dall'Assemblea degli Azionisti o tali da compromettere l'integrità del patrimonio aziendale.

III. Il Collegio non ha individuato nel corso delle proprie verifiche operazioni atipiche e/o inusuali, né con terzi né con Società del Gruppo né con parti correlate. Si dà atto che l'informazione resa nella Relazione Finanziaria in ordine ad eventi e operazioni significative e ad eventuali operazioni atipiche e/o inusuali, comprese quelle infragruppo e con parti correlate, risulta adeguata e conforme alle disposizioni normative.

IV. Le caratteristiche delle operazioni infragruppo e con parti correlate attuate dalla Società e dalle sue controllate nel corso del 2023, i soggetti coinvolti ed i relativi effetti economici sono indicati nella nota 31 del bilancio consolidato e nella nota 28 del bilancio d'esercizio, alle quali si rinvia. Si segnala che la Società ha intrattenuto rapporti di natura commerciale e finanziaria con le società controllate, che consistono in operazioni rientranti nell'ambito delle attività ordinarie di gestione e concluse in linea con le prassi di mercato. In particolare, si riferiscono a forniture di beni e servizi, tra cui prestazioni nel campo amministrativo, informatico, di gestione personale, di assistenza e consulenza e relativi crediti e debiti a fine esercizio e a operazioni di finanziamento e di gestione di tesoreria.

Il Collegio Sindacale valuta complessivamente adeguata l'informativa fornita in merito alle già menzionate operazioni e valuta che queste ultime, sulla base dei dati acquisiti, appaiono congrue e rispondenti all'interesse sociale.

Le Operazioni con Parti Correlate, individuate sulla base dei principi contabili internazionali e delle disposizioni emanate da Consob, sono regolate da una procedura interna, non ci sono state modifiche nel corso del 2023.

Il Consiglio ha stabilito di valutare di volta in volta la significatività delle operazioni poste in essere e quindi non ha determinato e adottato criteri generali di individuazione delle operazioni rilevanti.

Il Collegio Sindacale ha esaminato la Procedura con Parti Correlate accertandone la conformità al Regolamento Consob n. 17221 del 12 marzo 2010 e al Regolamento Mercati Consob 20249/2017.

Per le anzidette operazioni il Collegio ha verificato la corretta applicazione della stessa.

V. La Società di Revisione ha emesso in data 02 aprile 2024 le relazioni ai sensi degli artt. 14 e 16 del D. Lgs. 39/2010 e dell'art. 10 del Regolamento Europeo 537/2014 con le quali ha attestato che:

- il bilancio di esercizio della Società e il bilancio consolidato del Gruppo al 31 dicembre 2023 forniscono una rappresentazione veritiera e corretta dello stato patrimoniale, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data in conformità ai principi contabili internazionali IAS/IFRS nonché ai provvedimenti emanati in attuazione dell'articolo 9 del D. Lgs 38/05;
- la Relazione sulla Gestione e le informazioni di cui all'art. 123-*bis* del TUF contenute nella Relazione sul Governo Societario e sugli Assetti Proprietari sono coerenti con il bilancio d'esercizio della Società e con il bilancio consolidato di Gruppo e redatte in conformità alle norme di legge;

- il giudizio sul bilancio di esercizio e sul bilancio consolidato espresso nelle predette Relazioni è in linea con quanto indicato nella Relazione aggiuntiva predisposta ai sensi dell'art. 11 del Regolamento Europeo 537/2014;
- il bilancio separato della Società è stato predisposto nel formato XHTML in conformità alle disposizioni del Regolamento Delegato (UE) 2019/815;
- il bilancio consolidato del Gruppo è stato predisposto nel formato XHTML ed è stato marcato, unitamente alle note illustrative, in tutti gli aspetti significativi, in conformità alle disposizioni del Regolamento Delegato (UE) 2019/815.

Alcune informazioni contenute nelle note esplicative al bilancio consolidato quando estratte dal formato XHTML in un'istanza XBRL, a causa di taluni limiti tecnici, potrebbero non essere riprodotte in maniera identica rispetto alle corrispondenti informazioni visualizzabili nel bilancio consolidato in formato XHTML.

Nella Relazione sulla revisione contabile del bilancio consolidato la Società di Revisione ha altresì dichiarato di aver verificato, per quanto di propria competenza, la Dichiarazione di Carattere Non Finanziario relativa all'esercizio 2023. La Società di Revisione ha altresì emesso una Relazione attestante la conformità, in tutti gli aspetti significativi, a quanto richiesto dal D. Lgs. 254/2016 e dall'art. 5 del Regolamento Consob 20267/2018 e ai principi e alle metodologie di cui ai GRI *Standards* selezionati dalla Società. In tale Relazione la Società di Revisione ha dichiarato che non sono pervenuti alla sua attenzione elementi che facciano ritenere che la Dichiarazione Consolidata di Carattere Non Finanziario non sia redatta in conformità a quanto richiesto dalla legge.

Nelle citate Relazioni della Società di Revisione non risultano rilievi né richiami d'informativa ai sensi dell'art. 14, 2° comma, lett. d), né dichiarazioni rilasciate ai sensi dell'art. 14, 2° comma, lett. e) ed f) del D. Lgs. 39/10.

In data 02 aprile 2024 la stessa Società di Revisione ha trasmesso al Collegio Sindacale, nella qualità di Comitato per il Controllo Interno e la Revisione contabile, la Relazione aggiuntiva per illustrare i risultati della revisione legale dei conti, gli elementi connaturati al processo di pianificazione e svolgimento della revisione alle relative scelte metodologiche e il rispetto di principi etici, ai sensi dell'art. 11 del Regolamento Europeo 537/2014: come riportato nel giudizio sui Bilanci, questa relazione non contraddice gli stessi giudizi, ma riferisce su specifiche materie. Rileva qui menzionare che, oltre alle cosiddette questioni significative segnalate quali "aspetti chiave della revisione", nelle relazioni sul Bilancio, di esercizio e consolidato, non emergono carenze significative nel sistema di controllo interno in relazione al processo di informativa finanziaria meritevoli di essere portate all'attenzione dei responsabili delle attività di "governance".

In data 02 aprile 2024 la Società di Revisione ha rilasciato la conferma annuale della propria indipendenza ai sensi dell'art. 6, par. 2, lett. a del Regolamento Europeo 537/2014 che è stata trasmessa in pari data al Collegio Sindacale.

Il Collegio, anche nel corso degli incontri con la società di revisione, non ha ricevuto dalla stessa informativa su fatti ritenuti censurabili rilevanti nello svolgimento dell'attività di revisione legale sul bilancio di esercizio e consolidato.

Nel corso dell'esercizio, sulla base di quanto riferito dalla Società di Revisione, la Società e alcune sue controllate hanno conferito alla Società di Revisione, e a soggetti appartenenti alla sua rete (rete PWC), incarichi a favore della Società e di alcune società del gruppo per servizi diversi dalla revisione legale dei conti.

Il dettaglio dei compensi corrisposti nell'esercizio e il costo di competenza degli incarichi svolti, compresi quelli conferiti nel 2023, dalla Società di Revisione e da soggetti appartenenti alla sua rete a favore della Società e delle sue controllate, è indicato nel bilancio consolidato della Società, come richiesto dall'art. 149-duodecies del Regolamento Emittenti, nell'allegato II della Relazione al bilancio consolidato e nell'allegato III della Relazione al bilancio di esercizio.

I compensi relativi alla revisione includono le attività connesse alla verifica della Dichiarazione di Carattere Non Finanziario e bilancio ESEF.

I servizi diversi dalla revisione si riferiscono ad attività richieste per la società belga nell'ambito dell'attestazione del fatturato sui *medical devices*.

Per la società Luminex Corporation, la Società di Revisione ha prestato attività di audit relativa all'operazione di cessione del ramo azienda come da previsioni normative locali (SEC).

Per la società Luminex Hong Kong, la Società di Revisione ha fornito servizi di natura fiscale.

Per la Capogruppo e per la DiaSorin Italia S.p.A., la Società di Revisione ha, inoltre, attestato il prospetto dei costi di Ricerca e Sviluppo ai fini del riconoscimento del credito d'imposta.

Non sono stati erogati servizi non di revisione di natura fiscale e di valutazione a controllate estere incorporate in Stati membri dell'Unione Europea.

Il Collegio Sindacale, nel ruolo di Comitato per il Controllo Interno e la revisione contabile, ha adempiuto ai doveri richiesti dall'art. 19, 1° comma, lett. e) del D. Lgs. 39/2010 (come modificato dal D. Lgs. 135/2016) e dall'art. 5, par. 4 del Regolamento Europeo 537/2014 in materia di preventiva approvazione dei predetti incarichi, verificando la loro compatibilità con la normativa vigente e, specificatamente, con le disposizioni di cui all'art. 17 del D. Lgs. 39/2010 e successive modificazioni – nonché con i divieti di cui all'art. 5 del Regolamento ivi richiamato.

Il Collegio Sindacale segnala che il processo di valutazione, in occasione del conferimento alla Società di Revisione e alla sua rete, di alcune tipologie di servizi da parte della Società e delle sue controllate è regolato da una "Procedura interna per l'approvazione dei servizi da conferire alla società incaricata della revisione legale e alla sua rete" che ha l'obiettivo di garantire il soddisfacimento del requisito di indipendenza della Società di Revisione e di regolare l'anzidetto processo di valutazione.

Inoltre, il Collegio ha:

a) verificato e monitorato l'indipendenza della società di revisione, a norma degli artt. 10, 10-*bis*, 10-*ter*, 10-*quater* e 17 del D. Lgs. 39/2010 e dell'art. 6 del Regolamento Europeo 537/2014, accertando il rispetto delle disposizioni normative vigenti in materia e che gli incarichi per servizi diversi dalla revisione conferiti a tale società non apparissero tali da generare rischi potenziali per l'indipendenza del revisore e per le salvaguardie di cui all'art. 22-ter della Dir. 2006/43/CE;

b) esaminato la relazione di trasparenza e la relazione aggiuntiva redatte dalla Società di Revisione in osservanza dei criteri di cui al Regolamento Europeo 537/2014, rilevando che, sulla base delle informazioni acquisite, non sono emersi aspetti critici in relazione all'indipendenza della società di revisione;

c) ricevuto la conferma per iscritto, ai sensi dell'art. 6, par.2, lett. a), del Regolamento Europeo 537/2014, che la società di revisione, nel periodo dal 1° gennaio 2024 al momento del rilascio della dichiarazione, non ha riscontrato situazioni che possano compromettere la sua indipendenza ai sensi degli artt. 10 e 17 del D. Lgs. 39/2010, nonché 4 e 5 del Regolamento Europeo 537/2014;

d) discusso con la Società di Revisione dei rischi per la sua indipendenza e delle eventuali misure adottate per mitigarli, ai sensi dell'art. 6, par.2, lett. b) del Regolamento Europeo 537/2014.

VI. Nel corso dell'esercizio il Collegio non ha ricevuto denunce ai sensi dell'art. 2408 Codice Civile, né esposti dei soci o di terzi.

VII. Nel corso dell'esercizio 2023, il Collegio Sindacale si è espresso in tutti quei casi in cui è stato richiesto dal Consiglio di Amministrazione, anche in adempimento alle disposizioni normative che richiedono la preventiva consultazione del Collegio Sindacale.

Il Collegio Sindacale, per quanto di propria competenza, ha esaminato nel corso dell'esercizio le proposte avanzate – previa valutazione da parte del Comitato per la Remunerazione e le Proposte di Nomina – in merito alla politica remunerativa e sua attuazione,

Si segnala che nell'Esercizio 2023 non vi sono state deroghe alla politica in materia di remunerazione.

Il sistema di remunerazione, attuato su proposta del Comitato per la Remunerazione e le Proposte di Nomina, prevede l'attribuzione di compensi articolati in una componente fissa e una componente variabile legata ai risultati economici conseguiti a livello di Gruppo e correlata a prefissati obiettivi specifici, insieme alla partecipazione ai Piani di *Stock Options* della Società, in favore di determinati dirigenti in posizioni chiave, tra i quali i Dirigenti Strategici, come illustrato nella Relazione sulla Remunerazione, che sarà pubblicata ai sensi dell'art. 123-ter TUF sul sito internet della Società.

Il Comitato ha inoltre verificato che l'infrastruttura di Remunerazione del Gruppo DiaSorin fosse allineata con il piano strategico e con gli obiettivi di sostenibilità, innovazione e motivazione del nuovo perimetro aziendale.

Nel corso dell'esercizio 2022, la Società ha implementato il primo ciclo del Nuovo Piano di *Equity* dedicato al *management* di Luminex e DiaSorin, ad esclusione dei Dirigenti con Responsabilità Strategiche, e basato sull'assegnazione di azioni ordinarie DiaSorin.

In linea con le migliori prassi del mercato americano ed europeo, il Piano *Equity* è basato su un *mix* di strumenti (*performance share* e *restricted share units*) e persegue le finalità di:

- *retention* delle risorse chiave del Gruppo;
- creazione di valore, premiando il contributo del *senior management team* alla creazione di valore per gli azionisti;
- cultura del merito, elaborando una proposta individualizzata di *pay opportunity* equa in base al ruolo e al valore del *manager*.

In conformità a quanto previsto dal Regolamento Parti Correlate, così come recepito nella Procedura per le Operazioni con Parti Correlate di DiaSorin, l'approvazione della Politica da parte dell'Assemblea degli Azionisti esonera la Società dall'applicare la suddetta procedura nelle deliberazioni del Consiglio di Amministrazione in materia di remunerazione degli Amministratori e degli Altri Dirigenti con Responsabilità Strategiche.

Il Comitato per la Remunerazione e le Proposte di Nomina ha verificato che i compensi attribuiti risultino allineati ai valori di mercato.

Oltre a quanto sopra esposto il Collegio Sindacale, nella sua veste di Comitato per il Controllo Interno e la Revisione Contabile ai sensi dell'art. 19 del D. Lgs. n. 135/2016, ha predisposto in data 6 dicembre 2023 la proposta motivata per il conferimento dell'incarico di revisione legale per il novennio 2025 – 2033 che dovrà essere affidato dall'Assemblea degli Azionisti, secondo i criteri e le modalità di cui all'art. 16 del Regolamento Europeo 537/2014.

L'Assemblea degli Azionisti, convocata per il 23 aprile 2024, è chiamata altresì a decidere sul compenso della Società di Revisione nonché sugli eventuali criteri di adeguamento dei corrispettivi, sempre oggetto della proposta motivata del Collegio Sindacale. Conformemente alle disposizioni del citato art. 16 del Regolamento Europeo, trattandosi di affidamento dell'incarico di revisione legale per un Ente di Interesse Pubblico, la proposta formulata dal Collegio Sindacale, sottoposta per approvazione, ha previsto almeno due possibili alternative di conferimento dell'incarico e indica la preferenza motivata per una delle due.

In generale, al fine di acquisire le informazioni strumentali allo svolgimento dei propri compiti di vigilanza, il Collegio Sindacale, nel corso dell'esercizio 2023, si è riunito 13 volte. Le attività svolte nelle sopramenzionate riunioni sono documentate nei relativi verbali. Inoltre, il Collegio Sindacale, attraverso almeno uno dei suoi componenti, ha partecipato a tutte le 6 riunioni del Consiglio di Amministrazione della Società, alle 3 riunioni del Comitato Controllo e Rischi e Sostenibilità, alle 5 riunioni del Comitato per la Remunerazione e le Proposte di Nomina e alle 3 riunioni del Comitato per le Operazioni con Parti Correlate, nonché all'unica Assemblea degli Azionisti.

VIII. Il Collegio Sindacale ha vigilato sull'osservanza della legge e dell'atto costitutivo e sul rispetto dei principi di corretta amministrazione, assicurandosi che le operazioni deliberate e poste in essere dagli amministratori fossero conformi alle predette regole e principi, oltre che ispirate a principi di razionalità economica e non manifestamente imprudenti o azzardate, in conflitto d'interessi con la Società, in contrasto con le delibere assunte dall'Assemblea, ovvero tali da compromettere l'integrità del patrimonio aziendale. Il Collegio ritiene che gli strumenti e gli istituti di *governance* adottati dalla Società rappresentino un valido presidio al rispetto dei principi di corretta amministrazione.

IX. La vigilanza sull'adeguatezza della struttura organizzativa della Società e del Gruppo si è svolta attraverso la conoscenza della struttura amministrativa della Società e lo scambio di dati e informazioni con i responsabili delle diverse funzioni aziendali, con la funzione di *Internal Audit* e con la Società di Revisione.

La struttura organizzativa della Società e del Gruppo è curata dall'Amministratore Delegato e implementata attraverso un sistema di deleghe interne che hanno individuato i dirigenti responsabili delle diverse direzioni e *Business Units* e conferito procure coerenti con le responsabilità assegnate.

La struttura organizzativa della Società risulta adeguata in considerazione dell'oggetto, delle dimensioni e alla complessità della Società, alla natura e alle modalità di perseguimento dell'oggetto sociale, nonché alle altre caratteristiche della Società e alla rilevazione tempestiva degli indizi di crisi e di perdita della continuità aziendale, così da consentire agli amministratori una sollecita adozione delle misure più idonee alla sua rilevazione e al suo superamento.

X. Con riferimento alla vigilanza sull'adeguatezza e sull'efficacia del sistema di controllo interno, anche ai sensi del vigente art. 19 del D. Lgs. 39/2010, il Collegio ha tenuto incontri periodici con il responsabile della funzione di *Internal Audit* e di altre funzioni aziendali e ha partecipato alle riunioni con il Comitato Controllo e Rischi e Sostenibilità e con l'Organismo di Vigilanza, previsto ai sensi del modello organizzativo adottato dalla Società ai sensi del D. Lgs 231/2001 (il "Modello 231"), per il tramite anche della presenza di un suo componente all'interno del citato organismo.

Il Collegio ha rilevato che il sistema di controllo interno e gestione dei rischi della Società si basa su un insieme strutturato e organico di regole, procedure e strutture organizzative volte a prevenire o limitare le conseguenze di risultati inattesi e a consentire il raggiungimento degli obiettivi strategici ed operativi (ossia di coerenza delle attività con gli obiettivi, di efficacia ed efficienza delle attività e di salvaguardia del patrimonio aziendale), di conformità alle leggi e ai regolamenti applicabili (*compliance*) e di corretta e trasparente informativa interna e verso il mercato (*reporting*).

Le linee guida del sistema di controllo interno e gestione dei rischi della Società sono definite dal Consiglio di Amministrazione, con l'assistenza del Comitato Controllo Rischi e Sostenibilità. Il Consiglio di Amministrazione provvede altresì a valutare, almeno con cadenza annuale, la sua adeguatezza e il suo corretto funzionamento, con il supporto della funzione di *Internal Audit* e del Comitato Controllo e Rischi e Sostenibilità. La funzione *Internal Audit* della Società opera sulla base di un piano annuale che definisce quale attività e processi sottoporre a verifica in ottica di *risk based approach (Modello Risk Assessemnt per Piano di Audit ai fini del D.lgs. 262/05)*.

Il piano è approvato annualmente dal Consiglio di Amministrazione previo parere favorevole del Comitato Controllo Rischi e Sostenibilità ed è stato da ultimo rivisto e approvato nella riunione del Consiglio di Amministrazione del 15 marzo 2024.

Sulla base dell'attività svolta, delle informazioni acquisite, del contenuto della Relazione della Funzione di Controllo, il Collegio Sindacale ritiene che non vi siano elementi di criticità tali da inficiare l'assetto del sistema dei controlli e di gestione del rischio.

In relazione all'efficacia del sistema di controllo interno e di gestione dei rischi - atto a garantire la salvaguardia del patrimonio sociale, l'efficienza dei processi aziendali, l'affidabilità dell'informazione finanziaria e, più in generale, il rispetto delle leggi, dello Statuto sociale e delle procedure interne - attestiamo di aver valutato l'appropriatezza del

Sistema di Controllo di Gestione, riscontrando che il relativo processo di pianificazione è supportato da adeguati sistemi informativi e procedure che consentono di riconciliare in modo affidabile le principali informazioni di carattere economico e finanziario con le risultanze dei sistemi informativi utilizzati all'interno delle singole società controllate.

La Società, anche a livello di gruppo, si avvale di ulteriori strumenti a presidio degli obiettivi operativi e degli obiettivi di *compliance*, tra cui un sistema strutturato e periodico di pianificazione, controllo di gestione e *reporting*, un sistema di gestione dei rischi aziendali secondo i principi *dell'Enterprise Risk Management* (ERM) adottato nonché il Modello di controllo contabile secondo la L. 262/2005 in materia di informazione finanziaria, per garantire un livello soddisfacente in termini di efficacia nella prevenzione dei principali rischi sul *financial reporting*.

La Società è dotata del Modello 231 che, insieme al Codice Etico del Gruppo, risulta finalizzato a prevenire il compimento degli illeciti rilevanti ai sensi del D. Lgs 231/2001 e, conseguentemente, l'estensione alla Società della riferita responsabilità amministrativa.

L'Organismo di Vigilanza ha vigilato sul funzionamento e sull'osservanza del Modello Organizzativo – del quale ha valutato l'idoneità ai sensi del D.lgs. 231/2001 – monitorando l'evoluzione della normativa rilevante, l'implementazione delle iniziative di formazione del personale, nonché l'osservanza dei Protocolli da parte dei loro destinatari, anche attraverso verifiche effettuate con il supporto della funzione di *Internal Audit*.

In tema di *internal dealing*, fermi restando gli obblighi relativi alla disciplina del *market abuse*, la Procedura è stata aggiornata dal Consiglio in data 14 marzo 2019 al fine di recepire le modifiche apportate da Consob al Regolamento Emittenti con Delibera n. 19925 del 22 marzo 2017: la Società ha regolato l'obbligo di astensione dal compimento di operazioni su strumenti finanziari emessi dalla Società e quotati in mercati regolamentati secondo quanto previsto dalla normativa *pro-tempore* vigente e, da ultimo, in data 27 luglio 2023 in un'ottica di allineamento alle migliori prassi e al fine di consentire una modalità di presa visione della Procedura da parte dei soggetti rilevanti più efficace e agevole.

La Procedura per la gestione interna delle Informazioni Rilevanti e delle Informazioni Privilegiate e la comunicazione al pubblico di Informazioni Privilegiate è stata da ultimo modificata dal Consiglio di Amministrazione in data 27 luglio 2023, in un'ottica di continuo aggiornamento e miglioramento delle proprie procedure interne, con l'obiettivo di aggiornare la mappatura dei soggetti tenuti a segnalare eventuali informazioni che la funzione preposta potrebbe valutare come rilevanti o privilegiate e formalizzando il tracciamento del processo di valutazione delle informazioni (anche se non ritenute al termine dell'analisi rilevanti o privilegiate) mediante la compilazione ed archiviazione di apposita modulistica.

In relazione all'esercizio 2023, in conformità a quanto previsto dall'art. 6, Raccomandazione 33, lettera a) del Codice di Corporate Governance, il Consiglio di Amministrazione ha effettuato, sulla base delle informazioni ed evidenze raccolte, con il supporto dell'attività istruttoria del Comitato Controllo e Rischi e Sostenibilità, una valutazione complessiva dell'adeguatezza del sistema di controllo interno e di gestione dei rischi, ivi incluse le modalità di coordinamento tra i vari soggetti coinvolti nel sistema medesimo, ritenendo che esso sia complessivamente idoneo a consentire, con ragionevole certezza, un'adeguata gestione dei principali rischi identificati.

Il Collegio ha vigilato sull'osservanza degli obblighi informativi in materia di informazioni regolamentate, privilegiate o richieste dalle Autorità di Vigilanza.

In particolare, il Collegio ha vigilato sugli adempimenti correlati alle norme del "Market abuse" e "Tutela del risparmio", in materia di "Internal Dealing", con particolare riferimento al trattamento delle informazioni rilevanti e privilegiate e alla procedura di diffusione dei comunicati e delle informazioni al pubblico.

Il Collegio Sindacale ha, inoltre, vigilato sul rispetto delle Politiche, delle Linee Guida e delle Procedure vigenti nel Gruppo, nonché sul rispetto dei processi il cui esito viene portato all'attenzione degli amministratori per l'assunzione delle delibere.

Ad avviso del Collegio, alla luce delle informazioni acquisite, il sistema di controllo interno e di gestione dei rischi della Società appare adeguato, efficace e dotato di effettiva operatività.

XI. Il Collegio ha inoltre vigilato sull'adeguatezza e affidabilità del sistema amministrativo-contabile a rappresentare correttamente i fatti di gestione, ottenendo informazioni da parte dei responsabili delle rispettive funzioni, esaminando documenti aziendali e analizzando i risultati del lavoro svolto dalla Società di Revisione. Al Dirigente Preposto alla redazione dei documenti contabili societari sono state attribuite in modo congiunto le funzioni stabilite

dalla legge e forniti adeguati poteri e mezzi per l'esercizio dei relativi compiti. Inoltre, all'Amministratore Delegato, per il tramite dei Dirigente Preposto, spetta l'attuazione del "Modello di controllo contabile ex L. 262/2005" avente l'obiettivo di definire le linee che devono essere applicate nell'ambito del Gruppo DiaSorin con riferimento agli obblighi derivanti dall'art. 154-*bis* del TUF in tema di redazione di documenti contabili societari e dei relativi obblighi di attestazione. La predisposizione dell'informativa contabile e di bilancio, civilistica e consolidata, è disciplinata dal manuale dei principi contabili di Gruppo e dalle altre procedure amministrativo-contabili che fanno parte del Modello ex L. 262/2005.
Nell'ambito del Modello di cui alla L. 262/2005 sono formalizzate anche le procedure inerenti al processo di *impairment* in conformità al principio contabile IAS 36.

La Società si è avvalsa di una società indipendente per l'effettuazione del test di impairment dell'avviamento e delle attività intangibili iscritte nel bilancio consolidato chiuso al 31 dicembre 2023. Tenuto conto delle raccomandazioni formulate dall'Autorità Europea degli Strumenti finanziari e dei Mercati ("ESMA") intese ad assicurare una maggiore trasparenza delle metodologie adottate da parte delle società quotate nell'ambito delle procedure di *impairment test* sull'avviamento e sulle attività immateriali, nonché in linea con quanto raccomandato dal documento congiunto Banca d'Italia- Consob- Isvap n. 4 del 3 marzo 2010 e alla luce delle indicazioni fornite dalla stessa Consob, la rispondenza della procedura di *impairment test* alle prescrizioni del principio contabile internazionale IAS 36 ha formato oggetto di espressa approvazione da parte del Consiglio di Amministrazione della Società in data 15 marzo 2024, previo parere favorevole rilasciato al riguardo dal Comitato Controllo Rischi e Sostenibilità.
Gli esiti risultanti dai test di impairment sono adeguatamente illustrati nelle Note al Bilancio cui si rimanda.
Il Collegio ha vigilato sul rispetto dei requisiti di informativa ESMA32-193237008 1793 (25 ottobre 2023) con riferimento alla considerazione dei *climate related matters nei financial statements*, ed in particolare ai fini del test di impairment degli assets. Per una più completa descrizione delle metodologie e assunzioni applicate si rimanda alla relativa nota del Bilancio Consolidato.

Per una più completa descrizione delle metodologie e assunzioni applicate si rimanda alla relativa nota del Bilancio Consolidato.

Il Collegio Sindacale ha vigilato sul processo di informativa finanziaria, anche mediante assunzione di informazioni dal management della Società e ha ottenuto dagli Amministratori, con periodicità almeno trimestrale, adeguate informazioni sull'attività svolta e sulle operazioni di maggior rilievo economico, finanziario e patrimoniale effettuate dalla Società e dalle società controllate ai sensi dell'art. 150 comma 1 del TUF.

Il Collegio Sindacale valuta complessivamente adeguato il sistema amministrativo-contabile della Società ed affidabile nel rappresentare correttamente i fatti di gestione.

XII. Il Collegio Sindacale ha vigilato sull'adeguatezza delle disposizioni impartite dalla Società alle controllate ai sensi dell'art. 114, 2° comma, del TUF, accertandone, sulla base delle informazioni rese dalla Società, l'idoneità a fornire le informazioni necessarie per adempiere agli obblighi di comunicazione previsti dalla legge, senza eccezioni.

XIII. Per quanto concerne la verifica sulle modalità di concreta attuazione delle regole di governo societario, previste dal Codice di Corporate Governance nell'edizione in vigore, il Collegio ha svolto tale attività di verifica con l'assistenza della Direzione Affari Legali e Societari della Società.

Il Consiglio di Amministrazione, nel corso della seduta tenutasi in data 15 marzo 2024, ha verificato che la Società risulta essere generalmente in linea con le raccomandazioni emanate dal Comitato per la Corporate Governance con la lettera del 14 dicembre 2023. Le suddette raccomandazioni immediatamente portate a conoscenza del Presidente del Consiglio d'Amministrazione e del Presidente del Collegio Sindacale della Società sono state condivise in tale occasione con il Consiglio di Amministrazione.

La Relazione sul Governo Societario e gli Assetti riporta che l'assetto di *governance* di DiaSorin risulta allineato alle disposizioni del Codice di Corporate Governance applicabile alla Società, salvo i casi di disapplicazione indicati nella Tabella 7 della Relazione stessa e motivati.

Il Collegio ha inoltre esaminato la lettera del 14 dicembre 2023 del Presidente del Comitato per la Corporate Governance nonché le valutazioni effettuate e le decisioni assunte dalla Società in merito alle raccomandazioni ivi contenute senza particolari osservazioni a riguardo.

Il Consiglio di Amministrazione, nell'interesse della Società e dei suoi Azionisti, ha promosso il dialogo con gli Investitori e, in conformità con le previsioni del Codice del Codice di Corporate Governance, ha approvato la "Politica avente ad oggetto la gestione del dialogo con gli investitori istituzionali e con la generalità degli azionisti" (di seguito, "*Engagement Policy*").

L'*Engagement Policy* è stata redatta con la finalità di assicurare che il dialogo con gli Investitori e in generale con l'intera comunità degli azionisti avvenga nel rispetto della normativa vigente, ivi inclusa quella riguardante il trattamento delle informazioni privilegiate, e delle buone pratiche societarie e sia improntato a principi di correttezza, trasparenza, tempestività e simmetria informativa.

Il Presidente del Consiglio di Amministrazione, coadiuvato dall'Amministratore Delegato, assicura che l'organo di amministrazione sia tempestivamente informato sullo sviluppo e sui contenuti significativi del dialogo intercorso con gli Investitori Istituzionali e, in particolare, con gli Azionisti, in base alle previsioni dell'*Engagement Policy*.

La Società ha approvato nel Consiglio di Amministrazione tenutosi in data 1° dicembre 2023 un Piano ESG 2023-2025. Il Piano prevede diversi obiettivi in ambito ambientale, sociale e di governance, in linea con i valori aziendali.

XIV. Il Consiglio di Amministrazione della Società è attualmente composto da 15 amministratori, di cui 7 indipendenti. La sua composizione rispetta inoltre le regole in tema di equilibrio di genere.

Il Consiglio di Amministrazione ha proceduto ad un'autovalutazione della dimensione, della composizione e del funzionamento del Consiglio stesso e dei suoi Comitati per l'esercizio 2023, i cui risultati sono stati presentati alla riunione del Consiglio di Amministrazione del 15 marzo 2024 e sono richiamati nella Relazione sul Governo Societario e sugli Assetti Proprietari. Il Collegio è stato informato dell'esito delle valutazioni condivise con il Lead Independent Director e gli amministratori indipendenti Ai sensi dell'art. 4, Principio XIV, Raccomandazioni 21 e 22 del Codice di Corporate Governance, il Consiglio, sulla base di un apposito questionario suddiviso in diversi ambiti di indagine e con possibilità di esprimere commenti e proposte, ha effettuato anche con riferimento all'esercizio 2023, pur essendo DiaSorin una società a proprietà concentrata, un processo di autovalutazione sulla dimensione, sulla composizione (incluso numero e ruolo dei consiglieri indipendenti) e sul funzionamento del Consiglio stesso e dei suoi comitati. Gli esiti del processo di autovalutazione risultano agli atti della Società.

In merito alla procedura seguita dal Consiglio di Amministrazione ai fini della verifica dell'indipendenza dei propri consiglieri, il Collegio Sindacale ha proceduto alle valutazioni di propria competenza, constatando la corretta applicazione dei criteri e delle procedure di accertamento dei requisiti di indipendenza di cui alla legge e al Codice di Corporate Governance ed il rispetto dei requisiti di composizione dell'organo amministrativo nel suo complesso.

Infine, il Collegio ha svolto la valutazione di idoneità dei componenti del Collegio Sindacale stesso e di adeguata composizione dell'organo, con riferimento ai requisiti di professionalità, competenza, onorabilità e indipendenza richiesti dalla normativa, redigendo la Relazione sull'autovalutazione del Collegio Sindacale relativa al 2023. L'esito del processo valutativo è stato positivo. Gli esiti del processo di autovalutazione risultano agli atti della Società.

La Relazione di autovalutazione del Collegio Sindacale è stata presentata al Consiglio di Amministrazione in occasione della seduta consiliare del 15 marzo 2024 ed è stata resa nota nell'ambito della Relazione sul Governo Societario e gli Assetti proprietari.

Ha altresì fatto propria la raccomandazione del Codice di Corporate Governance che prescrive di dichiarare l'interesse proprio o di terzi in specifiche operazioni sottoposte al consiglio di amministrazione. Nel corso dell'esercizio 2023 non si sono verificate situazioni relativamente alle quali i componenti del Collegio Sindacale abbiano dovuto effettuare tali dichiarazioni.

All'interno del Consiglio di Amministrazione risultano istituiti i seguenti comitati:

- <u>Comitato Controllo Rischi e Sostenibilità</u>, con funzioni di natura consultiva e propositiva, che riferisce al Consiglio di Amministrazione almeno semestralmente sull'attività svolta e sull'adeguatezza del sistema di controllo interno e di gestione dei rischi ed è altresì incaricato della supervisione delle tematiche di sostenibilità connesse all'esercizio dell'attività dell'impresa e alle sue dinamiche di interazione con tutti gli *stakeholders*; tale comitato è composto da tre amministratori non esecutivi, in maggioranza indipendenti tra i cui il Presidente, e si è riunito 3 volte nel corso dell'esercizio 2023.

- Comitato per la Remunerazione e le Proposte di Nomina, composto da tre amministratori non esecutivi, di cui due indipendenti, e riunitosi 5 volte nel corso dell'esercizio2023: nel corso di dette riunioni il Comitato ha formulato le proprie raccomandazioni in materia di metodologia di consuntivazione delle remunerazioni variabili, ha approvato la bozza della Relazione sulla Remunerazione e sui compensi corrisposti riferita all'esercizio 2023, ha:
  - esaminato il questionario per lo svolgimento dell'autovalutazione del Consiglio, formulato le proprie raccomandazioni in materia di metodologia di definizione e consuntivazione delle remunerazioni variabili;
  - approvato la bozza della Relazione in materia di Remunerazione e sui compensi corrisposti riferita all'esercizio 2022;
  - esaminato la proposta di aggiornamento del benchmark retributivo di alcuni Dirigenti con Responsabilità Strategiche, formulando, ove ritenuto opportuno, le relative proposte di revisione dei pacchetti retributivi;
  - esaminato una procedura interna per la consuntivazione degli obiettivi ESG della componente variabile a breve termine (MBO) della remunerazione dei dirigenti con responsabilità strategiche.
- Comitato per le Operazioni con Parti Correlate, composto da tre amministratori indipendenti e riunitosi, nel corso dell'esercizio 2023, 2 volte per esaminare e valutare alcune operazioni con parti correlate, sulle quali il Comitato ha rilasciato il proprio parere.

Si rinvia alla Relazione sul Governo societario e gli Assetti proprietari per ulteriori approfondimenti sulla *corporate governance* della Società in merito alla quale il Collegio non ha rilievi da formulare.

XV. Il Collegio Sindacale ha esaminato la Relazione sulla Remunerazione approvata dal Consiglio di Amministrazione il 15 marzo 2024 su proposta del Comitato per la Remunerazione e ne ha verificato la conformità alle prescrizioni di legge e regolamentari, la chiarezza e completezza informativa con riguardo alla politica di remunerazione adottata dalla Società.

XVI. Il Collegio Sindacale ha altresì esaminato le proposte che il Consiglio di Amministrazione, nella riunione del 15 marzo 2024, ha deliberato di sottoporre all'Assemblea, e dichiara di non avere osservazioni al riguardo, ivi inclusa la proposta di distribuzione di un dividendo.

XVII. Infine, il Collegio Sindacale ha svolto le proprie verifiche sull'osservanza delle norme di legge inerenti alla formazione del progetto di bilancio di esercizio e di bilancio consolidato di Gruppo al 31 dicembre 2023, delle rispettive note illustrative e della Relazione sulla Gestione a corredo degli stessi, in via diretta e con l'assistenza dei responsabili di funzione ed attraverso le informazioni ottenute dalla Società di Revisione. In particolare, il Collegio Sindacale, in base ai controlli esercitati e alle informazioni fornite dalla Società, nei limiti della propria competenza secondo l'art. 149 del TUF, dà atto che i prospetti del bilancio di esercizio e del bilancio consolidato di DiaSorin al 31 dicembre 2023 sono stati redatti in conformità alle disposizioni di legge che regolano la loro formazione e impostazione e agli *International Financial Reporting Standards*, emessi dall'*International Accounting Standards Board*, in base al testo pubblicato nella Gazzetta Ufficiale delle Comunità Europee.

Il bilancio di esercizio e quello consolidato sono accompagnati dalle prescritte attestazioni, sottoscritte dall'Amministratore Delegato e dal Dirigente Preposto alla redazione dei documenti contabili societari.

Ai sensi del D. Lgs. 254/2016 e successive modifiche, nonché del relativo regolamento di attuazione emanato dalla Consob con delibera n. 20267 del 18 gennaio 2018, DiaSorin, in quanto Ente di Interesse Pubblico e società madre di un gruppo di grandi dimensioni, è chiamata a predisporre e a pubblicare una Dichiarazione Consolidata di Carattere Non Finanziario (di seguito «DCNF»).

In ottemperanza alle sopra richiamate normative, la DCNF del Gruppo contiene una descrizione di tematiche che riguardano: il business, la corporate governance, il contributo alla mitigazione dei cambiamenti climatici, le iniziative e i risultati conseguiti dalla Società in ordine a tematiche rilevanti in materia di ambiente, aspetti sociali, capitale umano ed etica del business.

Sul punto il Collegio Sindacale dà atto che la Società si è avvalsa dell'esonero dall'obbligo di redigere la Dichiarazione Individuale di Carattere Non Finanziario previsto dall'art. 6, 1° comma del D. Lgs 254/2016, avendo essa redatto la Dichiarazione Consolidata di Carattere

Non Finanziario in conformità a quanto richiesto dagli artt. 3 e 4 del D. Lgs. 254/2016 e dalla restante normativa applicabile, nonché alla luce delle indicazioni fornite dall'ESMA nel documento del 25 ottobre 2023 sulle priorità di vigilanza. La Dichiarazione Consolidata di Carattere Non Finanziario è accompagnata dall'attestazione rilasciata dalla Società di Revisione circa la conformità delle informazioni ivi fornite a quanto previsto dal citato decreto legislativo ai principi e alle metodologie utilizzate dalla società per la sua redazione anche ai sensi del regolamento Consob adottato con delibera del 18 gennaio 2018 numero 20267. Come previsto dall'art. 3, comma 7, D. Lgs. n. 245/2016, il Collegio Sindacale, in coerenza con le sue funzioni e i compiti ad esso attribuiti dalla legge, ha vigilato sull'osservanza delle norme che disciplinano la predisposizione e la pubblicazione della DCNF.

In particolare, il Collegio ha vigilato sull'adeguatezza degli assetti organizzativi adottati dal Gruppo in funzione degli obiettivi strategici perseguiti in campo socio ambientale e sull'esistenza di adeguate norme e processi a presidio del processo di raccolta, formazione, rappresentazione dei risultati e delle informazioni di carattere non finanziario e, con riferimento a tale ultimo aspetto, anche sulla osservanza di quanto previsto dal Regolamento 852/2020 (cosiddetto Regolamento sulla Tassonomia UE).

Nel corso dell'esercizio 2023, il Collegio ha esaminato la documentazione resa disponibile dalla Società e ha incontrato, in diverse sedute, la società di revisione, la funzione interna di DiaSorin che presiede il processo di rendicontazione e la funzione di *Internal Audit*, cui il Collegio ha richiesto un monitoraggio dei processi che alimentano la DCNF ed i relativi KPI.

Il Collegio ha inoltre partecipato alle riunioni del Comitato Controllo Rischi e Sostenibilità che hanno trattato la tematica.

Il Consiglio di Amministrazione, sulla base delle informazioni ricevute dal management e dell'attività istruttoria svolta del Comitato Controllo Rischi e Sostenibilità (chiamato a valutare l'idoneità dell'informazione periodica non finanziaria a rappresentare correttamente il modello di business, le strategie della Società, l'impatto della sua attività e le performance conseguite per il successivo esame e condivisione del Consiglio di Amministrazione) ha approvato la DCNF in data 15 marzo 2024 come documento integrato nella Relazione sulla gestione e al bilancio consolidato al 31 dicembre 2023.

Il Collegio rende noto che, nell'ambito dei controlli svolti, come sopra meglio declinati, non sono emersi elementi di non conformità della DCNF rispetto alle disposizioni normative che ne disciplinano la predisposizione e la pubblicazione.

La Società di Revisione nella relazione emessa il 2 aprile 2024 evidenzia che non sono pervenuti alla sua attenzione elementi tali da far ritenere che la DNF del Gruppo relativa all'esercizio chiuso al 31 dicembre 2023 non sia stata redatta, in tutti gli aspetti significativi, in conformità a quanto richiesto dagli artt. 3 e 4 del D. Lgs. 254/2016 e dai "*Global Reporting Initiative Sustainability Reporting Standards*", con riferimento alla selezione di GRI Standards da essi individuati come standard di rendicontazione.

Inoltre, la Società di Revisione comunica che le conclusioni espresse in tale relazione non si estendono alle informazioni contenute nel paragrafo "Tassonomia" della DNF, richieste dall'art. 8 del Regolamento Europeo 852/2020.

Sulla base di quanto sopra riportato, a compendio dell'attività di vigilanza svolta nell'esercizio 2023, e tenuto conto anche delle risultanze dell'attività effettuata dal soggetto incaricato della revisione legale dei conti, contenute nell'apposita relazione accompagnatoria del bilancio, il Collegio Sindacale non ha rilevato specifiche criticità, omissioni, fatti censurabili o irregolarità e non ha osservazioni, né raccomandazioni da formulare all'assemblea ai sensi dell'art. 153 del D. Lgs. 58/1998, per quanto di propria competenza, in merito alle proposte di delibera formulate dal Consiglio di Amministrazione all'Assemblea.

Milano 2 aprile 2024

Il Collegio Sindacale

Dott.ssa Monica Mannino	Presidente
Dott.ssa Ottavia Alfano	Sindaco effettivo
Dott. Matteo Sutera	Sindaco effettivo

13. Report of the Independent Auditors

pwc

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of DiaSorin SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DiaSorin SpA (the Company), which comprise the statement of financial position as of 31 December 2023, the income statement, comprehensive income statement, statement of changes in shareholders' equity, statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2023, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

www.pwc.com/it

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Valuation of the recoverability of investments in subsidiaries	
Note 13 - "Investments in subsidiaries" Non-current assets in the Company's financial statements as of 31 December 2023 include Euro 944,443 thousand referred to the investments held in the subsidiaries DiaSorin Inc. (Euro 590,943thousand) and DiaSorin Italia SpA (Euro 353,500 thousand), which are measured at cost and represent approximately the 83% of the total assets. These investments, although in absence of impairment indicators, were tested for impairment tests in accordance with the international financial reporting standards as adopted by the European Union ("IFRS") and, in particular, IAS 36 "Impairment of assets", also in consideration of the significant intangible assets and goodwill recorded in the financial statements of the subsidiaries held directly or indirectly. The impairment test was carried out by comparing the carrying amount of the investment in the financial statements as of 31 December 2023 and the related recoverable amount. The recoverable amount, determined as the value in use, is represented by the present value of future cash flows referred to each subsidiary. The valuation of the recoverability of investments in subsidiaries has been considered a key audit matter given their magnitude in the financial statement as well as the underlying estimation elements included in the assumptions developed by Directors on future forecasts, such as the cash flows growth rate, including the g-rate, and discount rates.	We performed an understanding of the process of preparing cash flow projections and of the process of preparing and approving the annual impairment test. We analysed the business and financial plans for the period 2024-2026, which were approved by the Board of Directors and used to assess the recoverability of the carrying value of investments in subsidiaries, including through meetings with management in which we were shown the process of preparing these plans. We compared the 2023 actual results of subsidiaries with the expected figures included in the previous year's impairment test and analysed main variances, to assess the reliability of the projections prepared by Directors. We analysed and understood the main assumptions underlying the forecast revenues and costs of each subsidiary as well as verified their reasonableness based on actual results, future strategic developments and expected market evolutions. We verified, through the involvement of valuation experts belonging to PwC network, the impairment test methodology, the mathematical accuracy of the model used, and the reasonableness of assumptions included, also in connection with the determination of the terminal value, including the g-rate, and the discount rate.

pwc

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
	We verified the sensitivity analysis in relation to the recoverability of the carrying amount of investments considering possible changes in key assumptions such as the g-rate and discount rate. We finally assessed the appropriateness and completeness of the financial statement's disclosure in particular with reference to the assumptions and the sensitivity analysis reported.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

pwc

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

pwc

Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014

On 28 April 2016, the shareholders of DiaSorin SpA in general meeting engaged us to perform the statutory audit of the Company's and consolidated financial statements for the years ending 31 December 2016 to 31 December 2024.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of DiaSorin SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the financial statements as of 31 December 2023, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation

In our opinion, the financial statements as of 31 December 2023 have been prepared in XHTML format in compliance with the provisions of the Commission Delegated Regulation.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of DiaSorin SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of DiaSorin SpA as of 31 December 2023, including their consistency with the relevant financial statements and their compliance with the law.

pwc

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the financial statements of DiaSorin SpA as of 31 December 2023 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of DiaSorin SpA as of 31 December 2023 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Milan, 2 April 2024

PricewaterhouseCoopers SpA

Signed by

Salvatore Savino
(Partner)

The accompanying financial statements of DiaSorin SpA constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.