Half-yearly Financial Report at 30 June 2024 GVS Group

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INFORMATION ABOUT THE COMPANY AND INFORMATION FOR SHAREHOLDERS

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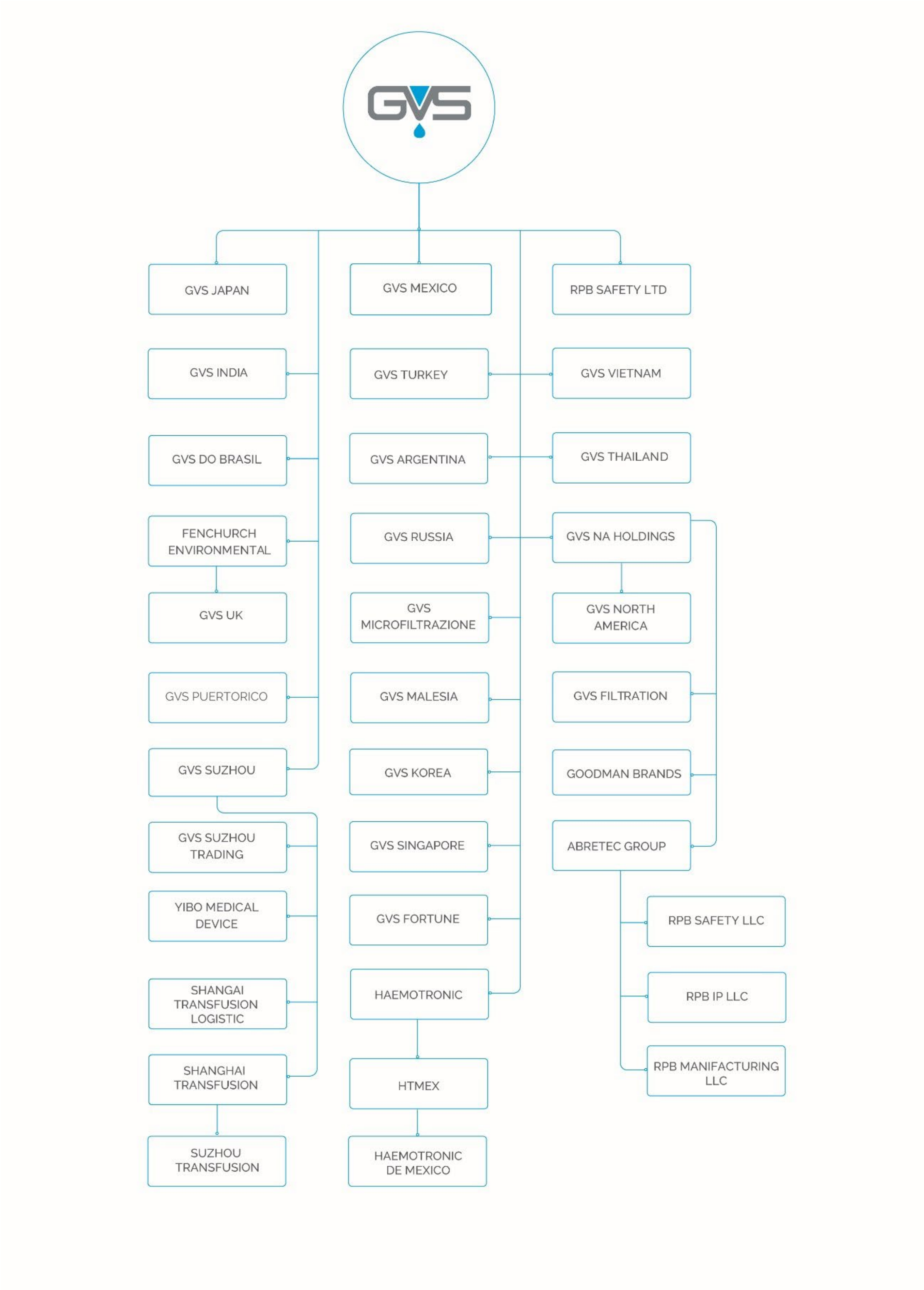
GROUP STRUCTURE*



*For information on the company name, registered office, the currency in which the Company operates, share capital of the GVS Group companies and the stake held by GVS SpA, please see the Explanatory Notes.

CORPORATE BODIES

Board of Directors	
Chairman (independent)	Alessandro Nasi
Chief Executive Officer	Massimo Scagliarini
Non-Executive Directors	Marco Pacini
	Grazia Valentini
	Marco Scagliarini
Independent Directors	Simona Scarpaleggia (1) (2)
	Anna Tanganelli (1)
	Pietro Cordova (1) (2)
	Michela Schizzi (2)
Board of Auditors	
Chairman	Maria Federica Izzo
Standing auditors	Francesca Sandrolini
	Giuseppe Farchione
Alternate auditors	Alessia Fulgeri
	Mario Difino
Manager responsible for the preparation of the Company's accounting documents	Emanuele Stanco
Independent Auditors	PricewaterhouseCoopers SpA

(1) Member of the Control, Risk and Sustainability and Related Party Transactions Committee
(2) Member of the Nominations and Remuneration Committee

DIRECTORS' REPORT ON OPERATIONS

Foreword

The Interim Report on Operations of GVS SpA (hereinafter "**GVS**", the "**Company**" or the "**Parent Company**" and together with its subsidiaries the "**GVS Group**" or the "**Group**") is presented together with the condensed interim consolidated financial statements at 30 June 2024.
The Interim Report on Operations is intended to provide information on the situation of the GVS Group and on operations as a whole and in the various sectors in which it operates, including through subsidiaries.
The tables below have been prepared on the basis of the condensed interim consolidated financial statements at 30 June 2024, to which reference should be made. The latter were prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the *International Accounting Standards Board* ("IASB") and approved by the European Union, as well as with measures issued in implementation of Article 9 of Legislative Decree no. 38/2005.

Group performance and analysis of the results for the first half of the year 2024

The GVS Group is one of the world's leading suppliers of advanced filtering solutions for highly critical applications, primarily in the field of *Healthcare & Life Sciences*.

The table below breaks down revenues from contracts with customers by division in the periods ending 30 June 2024 and 30 June 2023.

(in thousands of Euro)	**Half-year ended 30 June**	
	2024	**2023**
Healthcare Liquid	112,905	113,880
Healthcare Air & Gas	15,480	14,677
Laboratory	16,277	16,313
Healthcare & Life Sciences	**144,662**	**144,870**
Powertrain & Drivetrain	13,988	15,276
Safety & Electronics	10,317	10,398
Sport & Utility	8,228	8,432
Energy & Mobility	**32,533**	**34,106**
Personal Safety	35,323	32,398
Air Safety	2,304	1,998
Health & Safety	**37,627**	**34,396**
Revenue from contracts with customers	**214,822**	**213,372**

In the first half of 2024, GVS achieved consolidated revenues of Euro 214.8 million, up 0.7% on the previous year. One highlight is the positive performance of the *Health & Safety* division, which reported a 9.4% year-on-year increase in turnover, driven by favourable sector dynamics and the achievement of commercial synergies with the RPB Group.

Revenues from the *Healthcare & Lifesciences* division, compared with the same period last year, recorded growth in the *Healthcare Air & Gas* business (+5.5%), a stable performance of the *Laboratory* business of Euro 16.3 million, recovering sharply from the first quarter of 2024, and a slight reduction in the *Healthcare Liquid* business of Euro 112.9 million.

The *Energy & Mobility* division recorded a decrease of 4.6% in terms of revenues compared with the same period of the previous year, with a *performance* that was still negatively affected, although to a lesser extent than in the previous year, by customer *de-stocking* policies.

The breakdown of revenues from contracts with customers as at 30 June 2024 is as follows:

- the *Healthcare & Life Sciences* division, which represents 67.3% of the total, recorded revenues of Euro 144.7 million, with a slight decrease of 0.1% compared to the first half of 2023;
- the *Energy & Mobility* division, which represents 15.1% of the total, recorded a decrease in turnover level of 4.6% compared to the same period of 2023, reaching Euro 32.5 million;
- the *Health & Safety* division represents 17.5% of the total and settled at Euro 37.6 million with an increase of 9.4% compared to the same period of the previous year.

Financial statements for the period ending 30 June 2024 are shown below in comparison with those of the same period of the previous year, reclassified on the basis of current practice in financial analysis.

<u>Analysis of reclassified financial position</u>

	The 6-month period ended 30 June							
(in thousands of Euro)	**2024**	**including non recurring**	**2024 Adjusted**	**%**	**2023**	**including non recurring**	**2023 Adjusted**	**%**
Revenue from sales and services	214,822		214,822	100.0%	213,372		213,372	100.0%
Other operating income	3,901	1,137	2,764	1.3%	2,595	319	2,276	1.1%
Total revenues	**218,723**	**1,137**	**217,586**	**101.3%**	**215,967**	**319**	**215,648**	**101.1%**
Raw materials purchases costs and variation in inventories	(64,435)		(64,435)	-30.0%	(70,285)		(70,285)	-32.9%
Services costs	(29,692)	(250)	(29,442)	-13.7%	(28,710)	(268)	(28,442)	-13.3%
Other operating costs	(3,721)	(1,232)	(2,489)	-1.2%	(4,139)	(857)	(3,282)	-1.5%
Added value	**120,875**	**(345)**	**121,220**	**56.4%**	**112,833**	**(806)**	**113,639**	**53.3%**
Personnel costs	(69,808)	(631)	(69,177)	-32.2%	(67,213)	(649)	(66,564)	-31.2%
EBITDA	**51,067**	**(976)**	**52,043**	**24.2%**	**45,620**	**(1,455)**	**47,075**	**22.1%**
Amortisation and depreciation	(21,874)	(8,034)	(13,840)	-6.4%	(21,403)	(8,579)	(12,824)	-6.0%
Provisions and write-downs	(520)		(520)	-0.2%	(479)		(479)	-0.2%
EBIT	**28,673**	**(9,010)**	**37,683**	**17.5%**	**23,738**	**(10,034)**	**33,772**	**15.8%**
Financial income and costs	(7,482)	(2,810)	(4,672)	-2.2%	(13,773)	(1,784)	(11,989)	-5.6%
Pre-tax result	**21,191**	**(11,820)**	**33,011**	**15.4%**	**9,965**	**(11,818)**	**21,783**	**10.2%**
Income tax	(2,171)	6,044	(8,215)	-3.8%	(2,629)	2,654	(5,283)	-2.5%
Group's and minority shareholders' net profit or loss	**19,020**	**(5,776)**	**24,796**	**11.5%**	**7,336**	**(9,164)**	**16,501**	**7.7%**

The consolidated economic results of operations of the period ending 30 June 2024 were as follows: total revenues from ordinary operations amounted to Euro 217.6 million (Euro 215.6 million in the first half of 2023); EBITDA from ordinary operations amounted to Euro 52 million (Euro 47.1 million in the first half of 2023); EBIT from ordinary operations came to Euro 37.7 million (Euro 33.8 million in the first half of 2023).

EBITDA from ordinary operations grew by 10.6% compared to the first six months of 2023, with a 24.2% margin on revenues, a significant improvement compared to the 22.1% margin recorded in the first half of 2023. We note the strong performance in the second quarter of 2024, with EBITDA on revenues from ordinary operations of 25%. The result for the period is supported by the contribution of actions aimed at recovering the profitability implemented by the Group.

EBIT from ordinary operations with a margin on revenues of 17.5% amounts to Euro 37.7 million (+11.6%) compared to Euro 33.8 million in the same period of the previous year and in line with the growth achieved at the level of EBITDA from ordinary operations.

Net financial costs from ordinary operations (net of exchange rate gains of Euro 3,011 thousand recorded in the first six months of 2024 and exchange rate losses of Euro 4,663 thousand recorded in 2023) increased in the period in question, going from Euro 7,326 thousand in the period ended 30 June 2023 to Euro 7,683 thousand in the period ended 30 June 2024. This was mainly due to the increase in market interest rates some loans are related to.

The pre-tax result of recurring activities reached Euro 33 million in the period in question, with a decrease of Euro 11.2 million compared to Euro 21.8 million in 2023, mainly due to the effect of the exchange gain recorded in 2024 against the effect of the exchange rate loss recorded during the first half of 2023.

Non-recurrent proceeds and charges in the period ending 30 June 2024 represent: *(i)* income resulting from the partial release of the provision for risks set aside in previous years for a specific dispute arising before the acquisition relating to Haemotronic SpA (Euro 1,137 thousand); *(ii)* costs relating to Group personnel following the ongoing reorganisation process (totalling Euro 631 thousand), *(iii)* consultancy costs relating to services received on an exceptional basis (Euro 250 thousand); *(iv)* a cost relating to the downsizing of the indemnity to be obtained from the seller of Haemotronic SpA, for a specific dispute, for which the specific provision for risks was released for the same amount (Euro 1,137 thousand); *(v)* costs allocated to the reorganisation fund (Euro 95 thousand); *(vi)* amortisation of intangible and tangible assets recognised following the purchase price allocation of the Kuss, RPB, Haemotronic and STT groups (Euro 8,034 thousand) and finally *(vii)* interest recognised following the discounting of payables for earn out for acquisitions of the STT and Haemotronic groups (Euro 2,810 thousand), net of the related tax effect. Non-recurring charges for taxes also include Euro 2,942 thousand relating to the revenues pertaining to the tax benefit of the *Patent Box* held by the parent company GVS SpA.

Non-recurrent proceeds and charges in the period ending 30 June 2023 represent: *(i)* grants obtained from the Chinese government for the relocation of the Suzhou production site (Euro 319 thousand); *(ii)* costs relating to Group personnel following the reorganisation process in progress (totalling Euro 649 thousand); *(iii)* consultancy costs relating to services received of an exceptional nature (Euro 268 thousand), *(iv)* costs allocated to the provision for the relocation and rationalisation of the Group's production sites (totalling Euro 650 thousand); *(v)* costs allocated to the provision for indirect taxes and related penalties for Euro 207 thousand; *(vi)* depreciation of intangible and tangible assets recorded following the purchase price allocation of the Kuss, RPB, STT and Haemotronic groups (for a total of Euro 8,048 thousand); *(vii)* to write-downs of tangible fixed assets resulting from the relocation and rationalisation plan of the Group's production sites for Euro 531 thousand; and finally *(viii)* to the interest recorded following the discounting of payables for earn out for the acquisitions of the STT and Haemotronic groups (Euro 1,784 thousand), net of the related tax effect. Non-recurring charges for taxes also include Euro 416 thousand relating to the costs of the tax dispute with the Rumanian subsidiary for direct taxes.

Analysis of reclassified equity position

(in thousands of Euro)	As at 30 June 2024	As at 31 December 2023
Net intangible fixed assets	473,333	471,701
Right of use assets, net	21,466	20,207
Net tangible fixed assets	128,974	122,884
Financial fixed assets	3,133	3,531
Other fixed assets	5,225	10,718
Fixed capital (A)	**632,131**	**629,041**
Net trade receivables	59,429	54,114
Inventories	87,614	84,808
Payables to suppliers	(44,587)	(38,452)
Net commercial working capital (B)	**102,456**	**100,470**
Other current assets	28,319	21,203
Other current liabilities	(43,140)	(40,465)
Total current assets/liabilities (C)	**(14,821)**	**(19,263)**
Net working capital (D)= (B) + (C)	**87,636**	**81,207**
Other non-current liabilities (E)	(34,338)	(35,447)
Employee termination indemnity and end of service indemnity (F)	(3,221)	(3,120)
Provisions for risks and charges (G)	(5,656)	(8,529)
Net invested capital (H) = (A+D+E+F+G)	**676,552**	**663,153**
Shareholders' equity	(357,409)	(334,478)
Consolidated shareholders' equity (I)	**(357,409)**	**(334,478)**
(Short-term financial indebtedness)/Liquidity	6,386	60,503
(Net medium-/long-term financial indebtedness)	(325,529)	(389,178)
Net financial indebtedness (L)	**(319,143)**	**(328,675)**
Own funds and net financial indebtedness (M) = (I+L)	**(676,552)**	**(663,153)**

Fixed capital at 30 June 2024 shows an increase of Euro 3,090 thousand, mainly as a result of investments made in relation to tangible assets, rights of use and intangible assets, and for positive exchange rate conversion, net of depreciation and disposals during the period. Specifically, net intangible assets increased by Euro 1,632 thousand, of which Euro 4,141 thousand for investments in the period and Euro 6,822 thousand for the positive exchange rate conversion reserve, net of depreciation and amortisation for Euro 9,898 thousand. Tangible fixed assets recorded an increase of Euro 6,090 thousand, of which Euro 15,073 thousand relating to investments capitalised in the period net of depreciation and write-downs amount to Euro 8,263 thousand. The net increase in rights of use of Euro 1,259 thousand is mainly due to increases in the period of Euro 5,732 thousand net of amortisation for the period totalling Euro 3,713 thousand. Finally, other non-current assets decreased by Euro 5,493 thousand due to the change in deferred tax assets of Euro 1,676 thousand, the decrease in the fair value of active derivatives of Euro 780 thousand, and finally, following the reduction in other non-current receivables of Euro 3,037 thousand, due to the resolution of a specific dispute to which these receivables were related, arising before the acquisition and relating to Haemotronic SpA.

The balance of trade net working capital at 30 June 2024 shows an increase of Euro 1,986 thousand compared to 31 December 2023, mainly due to the increase in inventories and net trade receivables of Euro 2,806 thousand and Euro 5,315 thousand, respectively, net of the increase in trade payables of Euro 6,135 thousand.

The increase in other current assets at 30 June 2024, amounting to Euro 7,117 thousand, was mainly due to tax receivables for direct taxes.

The increase in other current liabilities at 30 June 2024 compared to 31 December 2023, amounting to Euro 2,675 thousand, is mainly attributable to the increase in payables for direct taxes, payables to employees and to social security institutions.

Shareholders' equity increased by Euro 22,931 thousand at 30 June 2024, mainly due to the total result for the period of Euro 22,027 thousand due to the increase in reserves relating to the new long-term incentives plan (Euro 1,058 thousand), net of the decrease due to the purchase of treasury shares (Euro 154 thousand).

The reader is referred to the next section for information on changes in net financial indebtedness.

Analysis of net financial indebtedness and net financial position

Trends in net financial indebtedness and net financial position are analysed below.

	(in thousands of Euro)	**As at 30 June 2024**	**As at 31 December 2023**
(A)	Cash and cash equivalents	59,203	191,473
(B)	Cash equivalents	-	-
	Term deposits	75,745	-
	Financial assets held for trading	2,817	2,317
	Financial lease receivables	79	168
(C)	Other current financial assets	**78,641**	**2,485**
(D)	**Liquidity (A)+(B)+(C)**	**137,844**	**193,958**
	Financial payables to parent companies	2,586	1,531
	Financial lease liabilities to other companies in the GVS Group	1,766	1,475
	Financial lease liabilities	5,468	5,909
	Other financial liabilities	19,717	20,789
(E)	Current financial indebtedness	29,537	29,704
(F)	Current portion of non-current indebtedness	101,921	103,751
(G)	**Current financial indebtedness (E)+(F)**	**131,458**	**133,455**
(H)	**Net current financial indebtedness (G)-(D)**	**6,386**	**60,503**
	Non-current bank borrowings	228,352	275,715
	Other financial liabilities	8,590	25,299
	Other financial liabilities to GVS Group	75,000	75,000
	Financial lease liabilities to other companies in the GVS Group	1,748	1,430
	Non-current financial lease liabilities	11,838	11,734
(I)	Non-current financial indebtedness	325,529	389,178
	Passive derivative financial instruments	-	-
(J)	Debt instruments	-	-
(K)	Trade payables and other non-current payables	-	-
(L)	**Non-current financial indebtedness (I)+(J)+(K)**	**325,529**	**389,178**
(M)	**Total net financial indebtedness (H)-(L)**	**(319,143)**	**(328,675)**

The reduction in net financial debt at 30 June 2024 compared to 31 December 2023, amounting to a total of Euro 9,532 thousand, is mainly due to the cash generated by operations net of the liquidity used for net investments in tangible and intangible fixed assets for the period (Euro 19,217 thousand), for the subscription and/or renewal of leasing agreements (Euro 4,875 thousand), for net financial charges (Euro 10,493 thousand) and for the payment of taxes (Euro 7,199 thousand). In terms of current operations, the cash generated by operations amounted to Euro 54,373 thousand net of the liquidity absorbed by changes in working capital for Euro 1,722 thousand and was much higher than the amount used for the payment of financial charges, taxes and investments, resulting in a reduction of overall net financial debt. Current financial debt, amounting to a positive Euro 60,503 thousand as at 31 December 2023, amounts to a positive Euro 6,386 thousand as at 30 June 2024. Non-current financial debt, amounting to a negative Euro 389,178 thousand as at 31 December 2023, amounts to a negative Euro 325,529 thousand as at 30 June 2024.

The Group's net financial position (including non-current active derivatives and non-current active loans, and excluding net current and non-current leasing liabilities recorded in accordance with the provisions of IFRS 16) amount to negative Euro 294,353 thousand at 30 June 2024 and negative Euro 303,046 thousand at 31 December 2023, as indicated below.

	(in thousands of Euro)	**As at 30 June 2024**	**As at 31 December 2023**
(M)	**Total net financial indebtedness**	**(319,143)**	**(328,675)**
	Non-current active derivative financial instruments	4,049	4,829
	Long-term financial receivables	-	420
	Financial lease liabilities (net)	20,741	20,380
	Total net financial position	**(294,353)**	**(303,046)**

The following table shows the adjusted net financial indebtedness:

	(in thousands of Euro)	**As at 30 June 2024**	**As at 31 December 2023**
(M)	**Total net financial indebtedness**	**(319,143)**	**(328,675)**
	GVS Group loan (including interest)	77,586	76,531
	Total adjusted net financial indebtedness	**(241,557)**	**(252,144)**

Adjusted net financial indebtedness was calculated by excluding from financial payables the amount of Euro 77,586 thousand, amounting to the shareholder loan received from GVS Group S.r.l. (Euro 75,000 thousand), in line with the definition of net financial indebtedness in existing loan agreements as regards the method of calculating financial covenants.

Cash flow statement

The cash flow statement appears below.

(in thousands of Euro)	**Half-year ended 30 June**	
	2024	**2023**
Pre-tax result	21,191	9,965
- Adjustment for:		
Amortisation, depreciation and write-downs	21,874	21,403
Capital losses / (capital gains) from sale of assets	(59)	102
Financial costs / (income)	7,482	13,773
Other non-monetary variations	3,885	3,671
Cash flow generated / (absorbed) by operations before variations in net working capital	**54,373**	**48,914**
Variation in inventories	(2,541)	418
Variation in trade receivables	(7,362)	1,671
Variation in trade payables	6,118	(10,698)
Variation in other assets and liabilities	2,063	45
Use of provisions for risks and charges and for employee benefits	(1,344)	(1,432)
Taxes paid	(7,199)	(4,661)
Net cash flow generated / (absorbed) by operations	**44,108**	**34,257**
Investments in tangible assets	(15,075)	(9,524)
Investments in intangible assets	(4,141)	(3,060)

Disposal of tangible assets	200	304
Investment in financial assets	(86,172)	(82,500)
Disinvestment in financial assets	10,000	21,393
Payment for purchase of business unit net of cash on hand acquired	(19,000)	-
Net cash flow generated / (absorbed) by investment	**(114,189)**	**(73,387)**
Opening of long-term financial liabilities	208	75,936
Repayment of long-term financial liabilities	(50,557)	(27,293)
Repayment of lease liabilities	(4,593)	(3,278)
Financial costs paid	(8,159)	(8,782)
Financial income collected	1,270	608
Treasury shares	(154)	-
Net cash flow generated/(absorbed) by financial assets	**(61,984)**	**37,192**
Total variation in cash on hand	**(132,065)**	**(1,938)**
Cash on hand at the start of the period	**191,473**	**135,169**
Total variation in cash on hand	(132,065)	(1,938)
Conversion differences on cash on hand	(204)	(824)
Cash on hand at the end of the period	**59,203**	**132,406**

During the period ended 30 June 2024, operations generated greater liquidity of Euro 9,851 thousand compared to the same period of the previous year, mainly due to the effect of the increase in EBITDA and to better management of net working capital, which generated a lower absorption of liquidity than the corresponding period of the previous year, thanks to the increase in payables to suppliers, the net increase in trade receivables and inventories.
Net investment activity in the period shows a greater absorption of liquidity of Euro 40,802 thousand compared with the same period last year, mainly following the payment of the first earn-out to the seller of the Haemotronic group of Euro 19,000 thousand, and the disinvestment of financial assets that had characterised the first half of 2023 of Euro 21,393 thousand compared with Euro 10,000 thousand in the corresponding half-year of 2024. We also note that net investments in tangible and intangible fixed assets have increased by Euro 6,632 thousand in the two periods compared.
Without considering the Euro 75,000 thousand loan subscribed and obtained in the first half of 2023 from parent company GVS Group Srl, the financial activity in the six months of 2024 shows greater absorption of cash compared to the same period of the previous year, mainly as a result of greater repayment of principal on loans paid during the period.

Indicators

The Group's principal economic and financial indicators and other indicators at 30 June 2024 and 30 June 2023 are listed below.

(in thousands of Euro)	**2024**	**2023**
ROE (net profit/total net shareholders' equity)	11%	4%
ROI (EBIT from ordinary operations/net invested capital)	11%	10%
ROS (EBIT from ordinary operations/ordinary total revenues)	17%	16%
EBITDA	51,067	45,620
Adjusted EBITDA	52,043	47,075
Net interest expense (excluding exchange gains / losses and interest for discounting earn out)	(7,683)	(7,326)
Net financial debt	(319,143)	(364,967)
Net financial position	(294,353)	(334,439)
Total intangible fixed assets/Total fixed assets	75%	75%
Total intangible fixed assets/Total assets	50%	46%
Acid test (short-term assets/short-term liabilities)	1.0	1.1
Net interest expense / payables to lenders	3.6%	3.2%
Indebtedness ratio (net financial indebtedness/shareholders' equity)	0.89	1.10
Net financial position/shareholders' equity	0.82	1.01

EBITDA/Interest	6.65	6.23
Adjusted EBITDA/Interest	6.77	6.43
Net financial position/EBITDA	2.88	3.67
Net financial position/adjusted EBITDA	2.83	3.55
Net financial debt / EBITDA	3.12	4.00
Net financial indebtedness/adjusted EBITDA	3.07	3.88

Investments

The Group's investment policy aims to achieve diversification in terms of product range and creation of new technological solutions for integration into the range of products it offers for sale. The development of new products is important for the Group, in order to continuously increase the satisfaction of its customers. Moreover, in the period under examination here, the Group invested in improvement of the efficiency of production through reinforcement and boosting of automation processes and adaptation of its productive capacity to ensure immediate flexibility in response to a possible increase in activity and adaptability to emerging trends.

Investments for the six months ended 30 June 2024 were mainly attributable to the strengthening of the production capacity and the construction of the new Suzhou production plant in China.
Furthermore, it should be noted that, with reference to the period ended 30 June 2024, the main investments concerned the production plants in Italy, the plants in the United States of America, the United Kingdom and Mexico, in addition to the construction of a new production plant in Suzhou, China mentioned above.

Research and development

With research and development centres all over the world, GVS offers an extremely efficient service tailored to respond to its customers' requests: from product conception and design to validation and mass production.
The Group's R&D work aims to introduce new products and implement new production processes. These activities are divided into a number of different phases, from conception and start of the process of designing and new product process to large-scale industrial production. The main indicators for the period under review compared with the same period of the previous year are shown below.

	Half-year ended 30 June	
(in thousands of Euro)	**2024**	**2023**
Research and development costs	13,119	12,208
Research and development costs/revenues from contracts with customers	6.1%	5.7%

Additional information

The Company does not own, and has never owned, stocks or shares in its parent company, even through an intermediary and/or company; therefore, it did not buy or sell any such stocks or shares in the first half of 2024.
Starting from 8 October 2021, the Company launched the buyback program authorised by the Shareholders' Meeting of 27 April 2021. On 18 September 2023, GVS SpA, in implementation of the shareholders' resolution authorising the purchase and disposal of treasury shares of 3 May 2023, appointed Kepler Cheuvreux SA to carry out liquidity support activities on the regulated market Euronext Milan, organised and managed by Borsa Italiana S.p.A. ("Euronext Milan"), under conditions of independence. The liquidity support activity on the ordinary shares issued by GVS S.p.A. lasts for 12 months, starting on 20 September 2023, up to a maximum of Euro 1.5 million, in accordance with market practice no. 1, referred to in CONSOB Resolution No. 21318 of 7 April 2020. As at 30 June 2024, the Company held 267,074 treasury shares representing a total stake of 0.15% in the Company's share capital.
The Group did not conduct any atypical or unusual transactions during the period.

Principal risks and uncertainties

In conducting its business, the Company is exposed to financial risk, as described in the Explanatory Notes, representing:

- market risk, deriving from oscillating exchange rates between the Euro and the other currencies in which the Group operates, and of interest rates;
- credit risk, deriving from the possibility of a counterpart defaulting;
- liquidity risk, deriving from insufficiency of financial resources to fulfil financial commitments.

The Group's goal is to maintain balanced management of its financial exposure over the years in order to guarantee a debt structure that is balanced with the composition of the company's assets and capable of guaranteeing the necessary flexibility in operations through use of liquidity generated by current operations and resort to bank loans.

The capacity of characteristic management to generate liquidity and the capacity for indebtedness allow the Group to adequately satisfy the requirements of its operations and financing of operative working capital and investment capital, and to fulfil its financial obligations.

The Group's financial policy and management of financial risk are guided and monitored at the central level. In particular, the central finance function assesses and approves provisional financial requirements, monitors trends and applies appropriate corrective actions where necessary.

In relation to the wars in Ukraine and in the Middle East, the Company monitors the geopolitical context and the situation in these countries on a daily basis to assess the potential direct and indirect effects in future, both in terms of strengthening the inflation dynamics in the supply markets of raw materials and energy costs, and in terms of sales reduction in the affected areas. Currently, the Group's direct exposure to the areas concerned is marginal.

For more information, see the "Management of financial risk" section of the Explanatory Notes.

Intergroup and related party transactions

With regard to relations with subsidiary, associated, parent and affiliated companies, please see the analytical indications given in the explanatory notes to these condensed interim consolidated financial statements. The following is a summary of the types of transactions that have taken place:

Company	Type of transaction
Parent Company - GVS Group S.r.l.	Financial, consolidated fiscal.
Subsidiaries	Commercial, performance of services costs and financial.
Associated companies - Companies in the GVS Group	Services costs.

GVS SpA and the subsidiary Haemotronic SpA participate in the optional national tax consolidation system under the GVS Group. Transactions with subsidiaries are primarily commercial (sale of raw materials and finished goods, and provision of services for production) and financial (provision of intergroup loans) in nature and are conducted under the conditions normally in effect on the market. The Company and a number of its subsidiaries have stipulated contracts for the leasing of real estate properties with companies directly or indirectly controlled by GVS Group S.r.l., under the conditions normally in effect on the market.

With regard to transactions with related parties, including intergroup transactions, it should be noted that these were neither atypical nor unusual and are part of the normal course of business of Group companies. They were carried out in compliance with internal procedure that contains rules aimed at ensuring their transparency and fairness, pursuant to the CONSOB Regulation No. 17221/2010.

In the notes to the condensed interim consolidated financial statements provides the disclosures required pursuant to Art. 154-ter of the TUF as indicated by CONSOB Regulation No. 17221 of 12 March 2010 and subsequent CONSOB Resolution No. 17389 of 23 June 2010. The disclosure on transactions with related parties required by the CONSOB Communication of 28 July 2006 is presented in the attached tables.

For more details, refer to the section entitled “Transactions with related parties” in the Explanatory Notes.

Significant events occurring in the first half of 2024

In April 2024, GVS announced its intention to build a new production plant for the manufacture of an innovative diaphragm for water alkaline electrolysis systems for the production of green hydrogen (the “Project”). The new diaphragm has been developed internally by GVS’s research & development department, leveraging the Group’s established expertise in the production of membranes and filtering materials, and will provide high performance in terms of durability, electrochemical conductivity and gas separation. The investment decision follows a testing period with selected customers, which confirmed the superior performance and reliability of the new membrane. The new production plant will be installed at the GVS headquarters in Zola Predosa (Bologna) and will have the capacity to provide the equivalent of 4 GW/year capacity of an electroliser for the production of green hydrogen (320,000 tonnes H2/year produced). It is expected that the fixed asset investments associated with the project will be in the order of 4 million euros and will be financed in 2024 and 2025 with available financial resources. The commercial launch of the diaphragm is expected in the second half of 2025, with impacts in terms of revenue generation starting in 2026. As the Project is fully in line with the European Hydrogen Strategy (COM/2020/301), which aims to achieve an installed capacity of 40 GW electro-welders by 2030, GVS will submit a funding request to the European Innovation Fund (EU Innovation Fund), one of the world's largest funding programs for innovative low-CO2 technologies.

Events subsequent to the close of the period

On 26 July 2024, the Board of Directors of GVS SpA approved the 2024-2026 Sustainability Plan - *Protecting your tomorrow*. The Plan includes more than 100 projects, covering 46 objectives linked to the 4 central pillars of the Group's sustainability strategy: *Protecting people*, *protecting the planet*, *protecting through innovation* and *protecting our values*. The objectives of the Sustainability Plan aim, on the one hand, to strengthen management and safeguards on the most crucial sustainability issues, and, on the other hand, to create the foundations for the achievement of ambitious future goals.

On 18 July 2024, GVS presented the new Elipse Full Face Mask, which weighs only 346g, stands out as one of the lightest integral masks currently available on the market. This result underscores GVS's commitment to innovation and excellence, offering a product that prioritises both performance and comfort. The Elipse Full Face Mask is compatible with a wide range of filters that meet the needs of the user in the most critical environments. The commercial launch of the Elipse Full Face Mask is planned for the second half of 2024.

In August 2024, a process was initiated to reorganise some production departments of the subsidiary GVS Puerto Rico in order to pursue greater efficiency through the transfer of certain production lines from GVS Puerto Rico to our subsidiaries located in Mexico. The implementation of the plan will consequently provide for the reduction of the workforce in GVS Puerto Rico, with the recognition of early retirement incentives.

Business outlook

GVS continues its path of steady improvement in economic and financial performance, which began in the fourth quarter of 2022.

In the first half of 2024, the Company achieved higher revenues than in the first half of 2023 and expects a further recovery in sales volumes in the second half of 2024. Specifically, sales are expected to grow high-single digits in the third quarter compared with the third quarter of financial year 2023.

In terms of profitability, as occurred in the first half of 2024, GVS will continue its process of progressive improvement in profitability.

Following the results achieved in the first six months of 2024, the Company confirms, with regard to turnover and the adjusted leverage ratio, the forecasts communicated at the time of approval of the 2023 results, while raising the annual normalised EBITDA margin forecast, and therefore expects to achieve the following results in 2024:

- a low-to-mid single digit growth in consolidated turnover compared to 2023;
- a normalised EBITDA margin up between 150 and 250 basis points compared to FY 2023, up from the previous forecast between 100 and 200 basis points;
- an expected adjusted leverage ratio of around 2x at 31 December 2024.

Zola Predosa, 10 September 2024

For the Board of Directors
Massimo Scagliarini

Chief Executive Officer

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2024

Consolidated statement of assets and liabilities*

(in thousands of Euro)	Notes	As at 30 June 2024	As at 31 December 2023
ASSETS			
Non-current assets			
Intangible assets	7.1	473,333	471,701
Right of use assets	7.2	21,466	20,207
Tangible assets	7.3	128,974	122,884
Deferred tax assets	7.4	1,176	2,852
Non-current financial assets	7.5	3,133	3,531
Non-current derivative financial instruments	7.6	4,049	4,829
Other receivables and non-current assets	7.11	-	3,037
Total non-current assets		**632,131**	**629,041**
Current assets			
Inventories	7.7	87,614	84,808
Trade receivables	7.8	59,429	54,114
Assets from contracts with customers	7.9	929	964
Current tax receivables	7.10	14,387	7,486
Other receivables and current assets	7.11	13,003	12,753
Current financial assets	7.5	78,641	2,484
Cash and cash equivalents	7.12	59,203	191,473
Total current assets		**313,206**	**354,082**
TOTAL ASSETS		**945,337**	**983,123**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital		1,750	1,750
Reserves		336,620	319,054
Net income		19,016	13,647
Group net shareholders' equity		**357,386**	**334,451**
Shareholders' equity attributable to non-controlling interests		23	27
Total shareholders' equity	7.13	**357,409**	**334,478**
Non-current liabilities			
Liabilities for the purchase of equity investments and non-current earn out	7.14	7,905	24,677
Non-current financial liabilities	7.15	304,037	351,337
Non-current leasing liabilities	7.2	13,586	13,164
Deferred tax liabilities	7.4	34,338	35,447
Provisions for employee benefits	7.17	3,221	3,120
Provisions for risks and charges	7.18	5,656	8,529
Total non-current liabilities		**368,743**	**436,274**
Current liabilities			
Liabilities for the purchase of equity investments and current earn out	7.14	19,026	18,342
Current financial liabilities	7.15	105,198	107,729
Current leasing liabilities	7.2	7,234	7,384
Trade payables	7.19	44,587	38,452
Liabilities from contracts with customers	7.9	5,435	6,029
Current tax payables	7.10	9,383	8,130
Other current payables and liabilities	7.20	28,322	26,305
Total current liabilities		**219,185**	**212,370**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**945,337**	**983,123**

(*) Pursuant to CONSOB Resolution No. 15519 of 27 July 2016, the effects of transactions with related parties on the consolidated statement of assets and liabilities are highlighted in the attached tables and are further described in Note 11.

Consolidated income statement*

(in thousands of Euro)	Notes	Half-year ended 30 June	
		2024	**2023**
Revenue from contracts with customers	8.1	214,822	213,372
Other operating income	8.2	3,901	2,595
Total revenues		**218,723**	**215,967**
Purchases and consumption of raw materials, semi-products and finished products	8.3	(64,435)	(70,285)
Personnel costs	8.4	(69,808)	(67,213)
Service costs	8.5	(29,692)	(28,710)
Other operating costs	8.6	(3,721)	(4,139)
EBITDA		**51,067**	**45,620**
Net impairment losses on financial assets	8.7	(520)	(479)
Amortisation, depreciation and write-downs	8.8	(21,874)	(21,403)
EBIT		**28,673**	**23,738**
Financial income	8.9	5,026	1,244
Financial costs	8.9	(12,508)	(15,017)
Pre-tax result		**21,191**	**9,965**
Income tax	8.10	(2,171)	(2,629)
Net income		**19,020**	**7,336**
Group's share		*19,016*	*7,331*
Minority share		*4*	*5*
Basic net profit per share (in Euro)	8.11	*0.11*	*0.04*
Diluted net profit per share (in Euro)	8.11	*0.11*	*0.04*

(*) Pursuant to CONSOB Resolution No. 15519 of 27 July 2016, the effects of transactions with related parties on the consolidated income statement are highlighted in the attached tables and are further described in Note 11.

Comprehensive consolidated income statement

(in thousands of Euro)	**Notes**	**Half-year ended 30 June**	
		2024	**2023**
Net income		**19,020**	**7,336**
Other components of the comprehensive income statement which will be reclassified in the income statement in subsequent years			
Profits (losses) on cash flow hedges	7.6	(780)	1,025
Effect of taxation		187	(246)
Difference due to conversion of financial statements in foreign currency	7.13	3,600	(4,239)
		3,007	**(3,460)**
Other components of the comprehensive income statement which will not be reclassified in the income statement in subsequent years			
Actuarial profit (loss) due to employee defined benefit plans	7.17	-	-
Effect of taxation		-	-
		-	**-**
Total other components in the comprehensive income statement		**3,007**	**(3,460)**
Comprehensive net profit		**22,027**	**3,876**
Group's share		*22,021*	*3,884*
Minority share		*6*	*(8)*

Prospectus of changes in consolidated shareholders' equity

		Reserves										
(in thousands of Euro)	**Share capital**	***Share premium reserve***	***Legal reserve***	***Extraordinary reserve***	***Translation reserve***	***Negative reserve for treasury shares***	***Actuarial profits and losses reserve***	***Profit (loss) carried over and other reserves***	**Net income**	**Group net shareholders' equity**	**Shareholders' equity attributable to non-controlling interests**	**Total shareholders' equity**
As at 31 December 2022	**1,750**	**92,770**	**350**	**60,628**	**(1,177)**	**(4,853)**	**444**	**153,619**	**24,098**	**327,629**	**45**	**327,674**
Net income	-	-	-	-	-	-	-	-	7,331	7,331	5	7,336
Total other components in the comprehensive income statement	-	-	-	-	(4,227)	-	-	779	-	(3,448)	(12)	(3,460)
Comprehensive net profit	-	-	-	-	*(4,227)*	-	-	*779*	*7,331*	*3,883*	*(7)*	*3,876*
Allocation of net profit from previous year	-	-	-	4,274	-	-	-	19,824	(24,098)	-	-	-
Assignment of treasury shares for long-term incentives	-	-	-	-	-	2,406	-	(2,406)	-	-	-	-
As at 30 June 2023	**1,750**	**92,770**	**350**	**64,902**	**(5,404)**	**(2,447)**	**444**	**171,816**	**7,331**	**331,512**	**38**	**331,551**

		Reserves										
(in thousands of Euro)	**Share capital**	***Share premium reserve***	***Legal reserve***	***Extraordinary reserve***	***Translation reserve***	***Negative reserve for treasury shares***	***Actuarial profits and losses reserve***	***Profit (loss) carried over and other reserves***	**Net income**	**Group net shareholders' equity**	**Shareholders' equity attributable to non-controlling interests**	**Total shareholders' equity**
As at 31 December 2023	**1,750**	**92,770**	**350**	**64,902**	**(7,676)**	**(2,524)**	**244**	**170,987**	**13,647**	**334,451**	**27**	**334,478**
Net income	-	-	-	-	-	-	-	-	19,016	19,016	4	19,020
Total other components in the comprehensive income statement	-	-	-	-	3,608	-	-	(593)	-	3,015	(8)	3,007
Comprehensive net profit	-	-	-	-	*3,608*	-	-	*(593)*	*19,016*	*22,031*	*(4)*	*22,027*
Allocation of net profit from previous year	-	-	-	(9,703)	-	-	-	23,350	(13,647)	-	-	-
Purchase of treasury shares	-	-	-	-	-	(197)	-	44	-	(154)	-	(154)
Increase in reserves for long-term incentives	-	-	-	-	-	-	-	1,058	-	1,058	-	1,058
As at 30 June 2024	**1,750**	**92,770**	**350**	**55,199**	**(4,068)**	**(2,721)**	**244**	**194,846**	**19,016**	**357,386**	**23**	**357,409**

Consolidated statement of cash flows*

(in thousands of Euro)	Notes	Half-year ended 30 June	
		2024	2023
Pre-tax result		21,191	9,965
- *Adjustment for:*			
Amortisation, depreciation and write-downs	8.8	21,874	21,403
Capital losses / (capital gains) from sale of assets	8.2 - 8.6	(59)	102
Financial costs / (income)	8.9	7,482	13,773
Other non-monetary variations		3,885	3,671
Cash flow generated / (absorbed) by operations before variations in net working capital		**54,373**	**48,914**
Variation in inventories	7.7	(2,541)	418
Variation in trade receivables	7.8	(7,362)	1,671
Variation in trade payables	7.19	6,118	(10,698)
Variation in other assets and liabilities	7.11 - 7.20	2,063	45
Use of provisions for risks and charges and for employee benefits	7.17 - 7.18	(1,344)	(1,432)
Taxes paid	8.10	(7,199)	(4,661)
Net cash flow generated / (absorbed) by operations		**44,108**	**34,257**
Investments in tangible assets	7.3	(15,075)	(9,524)
Investments in intangible assets	7.1	(4,141)	(3,060)
Disposal of tangible assets	7.3	200	304
Investment in financial assets	7.5	(86,172)	(82,500)
Disinvestment in financial assets	7.5	10,000	21,393
Payment for purchase of business unit net of cash on hand acquired		(19,000)	-
Net cash flow generated / (absorbed) by investment		**(114,189)**	**(73,387)**
Opening of long-term financial liabilities	7.15	208	75,936
Repayment of long-term financial liabilities	7.15	(50,557)	(27,293)
Repayment of lease liabilities	7.2	(4,593)	(3,278)
Financial costs paid	8.9	(8,159)	(8,782)
Financial income collected	8.9	1,270	608
Treasury shares	7.13	(154)	-
Net cash flow generated/(absorbed) by financial assets		**(61,984)**	**37,192**
Total variation in cash on hand		**(132,065)**	**(1,938)**
Cash on hand at the start of the period		**191,473**	**135,169**
Total variation in cash on hand		(132,065)	(1,938)
Conversion differences on cash on hand		(204)	(824)
Cash on hand at the end of the period		**59,203**	**132,406**

(*) Pursuant to CONSOB Resolution No. 15519 of 27 July 2016, the effects of transactions with related parties on consolidated cash flows are highlighted in the attached tables.

EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2024

1. General information

1.1 Foreword

GVS S.p.A. (hereinafter referred to as “**GVS**”, the “**Company**” or the “**Parent Company**” and, with its subsidiaries, as the “**GVS Group**” or simply the “**Group**”) is a company established and domiciled in Italy, with registered offices in Zola Predosa (BO), Via Roma 50, organised according to the law of the Republic of Italy.
GVS is controlled by the company GVS Group S.r.l. (hereinafter the “**GVS Group**”), which directly holds 60% of the share capital. There is no other entity exercising direction and coordination of the Company. Starting from the 2021 financial year, the ultimate parent is Lighthouse 11 SpA, which directly holds 50.52% of the share capital of the GVS Group.
The GVS Group is one of the world's leading suppliers of advanced filtering solutions for highly critical applications, primarily in the field of *Healthcare & Life Sciences*.

2. Summary of the accounting standards adopted

2.1 Preparation basis

The Half-Yearly Financial Report at 30 June 2024 has been prepared in accordance with IAS 34, concerning interim reporting. IAS 34 allows for the preparation of financial statements in "condensed" form, i.e. on the basis of a level of disclosure significantly lower than that required for annual financial statements under IFRS, where a complete set of financial statements prepared under IFRS has previously been made available to the public. These condensed interim consolidated financial statements therefore do not include all the information required for the annual financial statements and must be read together with the annual financial statements prepared for the year ended 31 December 2023.
The Group has prepared the financial statements on the assumption that it will continue to operate, believing that there are no real uncertainties that could give rise to significant doubts about this assumption. The directors believe that there is a reasonable expectation that the Group will have adequate resources to continue to operate in the near future and for a period of not less than 12 months from the reference date of the accounting period.
The principal criteria and accounting standards applied in preparation of the condensed interim consolidated financial statements are listed below.

2.2 Declaration of conformity with international accounting standards

The condensed interim consolidated financial statements have been prepared in accordance with the *International Financial Reporting Standards*, issued by the *International Accounting Standards Board*. Adopted by the European Union and endorsed by the European Commission (the "**International Accounting Standards**") they were in force at 30 June 2024. The term EU-IFRS refers to all “*International Financial Reporting Standards*”, all “*International Accounting Standards*” (IAS) and all interpretations of the “*International Financial Reporting Interpretations Committee*” (IFRIC), previously known as the “*Standing Interpretations Committee*” (SIC).
These condensed interim consolidated financial statements were approved by the Company’s Board of Directors on 10 September 2024 and subjected to limited auditing by independent auditor PricewaterhouseCoopers S.p.A.

2.3 General principles of preparation

The condensed interim consolidated financial statements consist of the financial statements obligatorily required under standard IAS 1, and that is, the consolidated statement of financial position, consolidated statement of profit and loss, consolidated comprehensive statement of profit and loss, consolidated statement of changes in equity and statement of cash flows, as well as explanatory notes. The condensed interim consolidated financial statements include the situation as at 30 June 2024 of GVS SpA, the Parent Company, and that of the companies in which GVS SpA holds a controlling interest pursuant to IFRS 10.

The Group chose to represent its statement of profit and loss according to the nature of the expense, while the assets and liabilities in the statement of financial position are divided into current and non-current. The statement of cash flows is prepared by the indirect method. The schemes employed are those that best represent the Group's economic and financial standing.

An asset is classified as current when:

- it may be supposed that the asset will be sold, or is owned for sale or consumption, during the course of the company's regular operating cycle;
- it is owned primarily for the purpose of sale;
- it is supposed that it will be sold within twelve months of the end of the year;
- it consists of liquid assets or cash equivalents (unless it is forbidden to trade it or use it to pay a liability for at least twelve months from the end of the year).

All other assets are classified as non-current. Standard IAS 1 includes tangible assets, intangible assets and long-term financial assets among non-current assets.

A liability is classified as current when:

- it is expected to be extinguished in the course of the company's regular operating cycle;
- it is owned primarily for the purpose of sale;
- it will be extinguished within twelve months of the end of the year;
- there is no unconditional right to defer payment of the liability for at least twelve months after the end of the year. Clauses of a liability that could, if the counterpart so wishes, give rise to its extinction through issuing of instruments representing capital do not affect its classification.

The company has classified all other liabilities as non-current.

The operating cycle is the amount of time that passes between acquisition of goods for the production process and cashing them in as liquid assets or cash equivalents. When the regular operating cycle is not clearly identifiable, its duration is assumed to be twelve months.

The condensed interim consolidated financial statements are prepared in Euro, the currency in which the Company operates. The statement of financial position, statement of profit and loss, the explanatory notes and the tables illustrating them are expressed in thousands of Euro, unless otherwise specified.

The condensed interim consolidated financial statements have been prepared as follows:

- on the basis of EU-IFRS, taking into account best practice in the field; any future orientations and updated interpretations will be reflected in subsequent years, on the basis of the methods specified in the applicable accounting standards;
- with a view to business continuity, on an accrual accounting basis, in compliance with the principle of the relevance and significance of the information and the prevalence of substance over form, and with a view to promoting consistency with future presentations. Assets and liabilities, costs and revenues are not compensated against one another unless this is permitted or required under International Accounting Standards;
- on the basis of the conventional criterion of historical cost, with the exception of assessment of financial assets and liabilities in cases in which it is obligatory to apply the fair value criterion, and for the financial statements of companies operating in economies subject to hyperinflation, which are prepared on the basis of the current cost criterion.

With reference to business continuity, it should be noted that the Group's economic and financial performance as at 30 June 2024, are in line with the initial expectations of the budget. It should also be noted that cash and cash equivalents at 30 June 2024, amounting to Euro 59.2 million, the liquidity invested in term deposits amounting to Euro 75 million, the credit lines currently available and the cash

flows that will be generated by operations, are considered more than sufficient to meet the Group's obligations and finance its operations.
On the basis of the information available at the date of approval of this Financial Report and in consideration of the above, the Directors believe that the going concern assumption with which they have drawn up these consolidated interim financial statements is appropriate.
With regard to the performance in the first half of 2024, please read the Directors' Report on Operations.

2.4 Consolidation criteria and methods

The condensed interim consolidated financial statements include the statement of financial position and the statement of profit and loss of the Company and its subsidiaries, approved by their respective administrative bodies, prepared on the basis of their accounting situations and, where applicable, opportunely corrected to ensure that they conform to EU-IFRS.

The table below lists information on the company name, registered offices, currency of operation, share capital and portion thereof owned directly by the Group for all GVS's subsidiaries.

Company name	Registered offices	Currency	Share capital at 30 June 2024	Direct owner	Percentage of control	
					As at 30 June 2024	As at 31 December 2023
YUYao Yibo Medical Device Co. Ltd	China - Yuyao	CNY	5,420,000	GVS Technology (Suzhou) Co. Ltd.	100.00%	100.00%
GVS Technology (Suzhou) Co. Ltd.	China - Suzhou (PRC)	CNY	182,658,405	GVS SpA	100.00%	100.00%
Suzhou GVS Trading Co. Ltd.	China - Ningbo	CNY	250,000	GVS Technology (Suzhou) Co. Ltd.	100.00%	100.00%
GVS Fortune Holding Ltd	Hong Kong (PRC)	HKD	1	GVS SpA	100.00%	100.00%
GVS North America Inc	USA - Sanford (MA)	USD	Na	GVS North America Holdings Inc	100.00%	100.00%
GVS Filtration Inc	USA - Findlay (OH)	USD	10	GVS North America Holdings Inc	100.00%	100.00%
GVS NA Holdings Inc	USA - Sanford (MA)	USD	0.10	GVS SpA	100.00%	100.00%
Fenchurch Environmental Group Ltd	United Kingdom - Morecambe	GBP	1,469	GVS SpA	100.00%	100.00%
GVS Filter Technology UK Ltd	United Kingdom - Morecambe	GBP	27,000	Fenchurch Environmental Group Ltd	100.00%	100.00%
GVS do Brasil Ltda	Brazil - Municipio de Monte Mor, Campinas	BRL	20,755,226	GVS SpA	99.95%	99.95%
GVS Argentina Sa	Argentina - Buenos Aires	ARS	1,510,212	GVS SpA	94.12%	94.12%
GVS Filter Technology de Mexico	Mexico - Nuevo Leon	MXN	50,000	GVS SpA	99.90%	99.90%
GVS Korea Ltd	Korea - Seoul	KRW	100,000,000	GVS SpA	100.00%	100.00%
GVS Microfiltrazione Srl	Romania - Ciorani	RON	1,600	GVS SpA	100.00%	100.00%
GVS Japan KK	Japan - Tokyo	JPY	1,000,000	GVS SpA	100.00%	100.00%
GVS Russia LLC	Russia - Moscow	RUB	10,000	GVS SpA	100.00%	100.00%
GVS Filtre Teknolojileri	Turkey - Istanbul	TRY	100,000	GVS SpA	100.00%	100.00%
GVS Puerto Rico LLC	Puerto Rico - Fajardo	USD	Na	GVS SpA	100.00%	100.00%
GVS Filtration SDN. BHD.	Malaysia - Petaling Jaya	MYR	3,000,000	GVS SpA	100.00%	100.00%
GVS Filter India Private Limited	India - Mumbai	INR	100,000	GVS SpA	100.00%	100.00%
Abretec Group LLC	USA - Detroit (MI)	USD	14,455,437	GVS North America Holdings Inc	100.00%	100.00%
Goodman Brands LLC	USA - Detroit (MI)	USD	0	GVS North America Holdings Inc	100.00%	100.00%
RPB Safety LLC	USA - Detroit (MI)	USD	0	Abretec Group LLC	100.00%	100.00%
RPB Manufacturing LLC	USA - Detroit (MI)	USD	0	Abretec Group LLC	100.00%	100.00%
RPB IP LLC	USA - Detroit (MI)	USD	0	Abretec Group LLC	100.00%	100.00%
RPB Safety Ltd	New Zealand - Christchurch	NZD	1,000	GVS SpA	100.00%	100.00%
GVS Filtration Co., Ltd.	Thailand - Bangkok	THB	12,000,000	GVS SpA	100.00%	100.00%
Shanghai Transfusion Technology Co. Ltd	China - Shanghai (PRC)	CNY	86,757,543	GVS Technology (Suzhou) Co. Ltd.	100.00%	100.00%
Suzhou Laishi Transfusion Equipment Co. Ltd.	China - Suzhou (PRC)	CNY	2,271,895	Shanghai Transfusion Technology Co. Ltd	100.00%	100.00%
GVS Logistics Management (Shanghai) Co. Ltd	China - Shanghai (PRC)	CNY	25,000,000	GVS Technology (Suzhou) Co. Ltd.	100.00%	100.00%
GVS Vietnam Company Limited	Vietnam - Ho Chi Minh City	VND	449,800,000	GVS SpA	100.00%	100.00%
Haemotronic SpA	Italy - Mirandola (MO)	EUR	5,040,000	GVS SpA	100.00%	100.00%
Htmex Inc	USA - McAllen, Texas	USD	2,500,000	Haemotronic SpA	100.00%	100.00%
Haemotronic de Mexico S DE RL DE CV	Mexico - Raynosa	MXN	29,603	Htmex Inc	100.00%	100.00%
GVS Technology Singapore PTE. LTD.	Singapore	SGD	500,000	GVS SpA	100.00%	ND

Note that as at the date of these condensed interim consolidated financial statements, all companies included in the consolidation area are consolidated using the full consolidation method.
We note that the company, GVS Technology Singapore PTE. LTD. was established in January 2024, therefore the scope of consolidation at 30 June 2024 changed compared to 31 December 2023 due to the entry of this company, which is fully consolidated.
The table below lists the exchange rates used for conversion of the financial statements of companies operating in a currency other than the Euro for the periods indicated:

Currency	As at 30 June 2024	As at 31 December 2023	Half-year ended 30 June	
			2024 (average)	2023 (average)
Brazilian real	5.8915	5.3618	5.4922	5.4826
Argentine peso	975.3883	892.9239	929.0128	229.1777
Chinese renminbi	7.7748	7.8509	7.8011	7.4894
American dollar	1.0705	1.105	1.0813	1.0806
Hong Kong dollar	8.3594	8.6314	8.4540	8.4708
Japanese yen	171.94	156.3300	164.4613	145.7603
Korean won	1,474.86	1,433.6600	1,460.3153	1,400.4349
Russian ruble	91.8260	98.6700	98.1892	83.5820
Turkish lira	35.1868	32.6531	34.2364	21.5662
Mexican peso	19.5654	18.7231	18.5089	19.6456
Romanian ron	4.9773	4.9756	4.9743	4.9341
Indian rupee	91.8260	91.9045	89.9862	88.8442
Malaysian ringitt	5.0501	5.0775	5.1107	4.8188
New Zealand dollar	1.7601	1.7504	1.7752	1.7318
Thai baht	39.3190	37.9730	39.1192	36.9561
Vietnamese dong	27,250	26,808	26,981	25,425
British pound	0.8464	0.86905	0.8546	0.8763
Singapore dollar	1.4513	ND	1.4561	ND

For the criteria used for the definition of subsidiaries and for the conversion of items in foreign currency, as well as for the recording of transactions with minority shareholders, please read the consolidated financial statements ending 31 December 2023.

2.5 Accounting standards and assessment criteria

The accounting standards adopted for the condensed interim consolidated financial statements are the same as those used to prepare the consolidated financial statements ending 31 December 2023, to which reference should be made for further details, with the exception of the following:

- accounting standards, or amendments to existing accounting standards, effective from 1 January 2024 (see note 3 for more details), and

- income taxes, recognised on the basis of the best estimate of the weighted average tax rate expected for the entire year, in line with the provisions of IAS 34.

2.6 Seasonality

The market in which the Group operates is not characterised by marked seasonal phenomena that could lead to a certain lack of uniformity in sales and operating costs over the different months. Consequently, the economic results for the first half of the year could represent a proportional share of the entire financial year. Even from a financial point of view, the half-yearly figures should not be significantly affected by seasonal factors.

3. Recently issued accounting standards

a) IFRS accounting standards, amendments and interpretations effective from 1 January 2024

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group from 1 January 2024:

- *Amendments to IAS 1 - Classification of Liabilities Between Current and Non-Current* - In January 2020, the IASB published the amendments to IAS 1 - Classification of Liabilities Between Current and Non-Current, which were further amended by the Amendments - Non-Current Liabilities with *covenants* that were published in October 2022. The Amendments require that an entity's right to defer the discharge of a liability for at least twelve months after the reporting period has substance and exists at the end of the reporting period. The classification of a liability is not affected by the likelihood that the entity exercises the right to defer its extinguishment for at least twelve months after exercise.

- *Amendments to IAS 1 - Non-Current Liabilities with Covenants* - Following the publication of the Amendments to IAS 1 - Classification of Liabilities between Current and Non-Current, the IASB further amended IAS 1 in October 2022. If an entity's right to defer is conditional on the entity complying with certain conditions, those conditions affect the existence of that right at the reporting date, if the entity is required to comply with the condition at or before the reporting date and not if the entity is required to comply with the conditions after reporting.

- *Amendments to IFRS 16 - Liability in a Sale and Leaseback (amendments to IFRS 16 Leases) - The International Accounting Standards Board (Board)* published in 2020 the *Exposure Draft* titled *Lease Liability in a Sale and Leaseback*. This document specifies the method used by a seller lessee to initially measure the right of use asset and the liability for the lease arising from a sale and leaseback transaction and the way in which the seller-lessor subsequently measures this liability. In 2021 the Board reviewed the feedback received on the Exposure Draft. At its September 2021 meeting, the Interpretations Committee discussed the project and discussed the direction of the project while considering such feedback. In September 2022, the IASB amended IFRS 16. The amendments add paragraph 102A to IFRS 16. According to this paragraph, the seller-lessee is required to determine the "lease payments" or "revised lease payments" so as not to recognise any amount of profit or loss relating to the right of use retained by the seller-lessee. The paragraph does not prescribe a particular method for achieving this result.

- *Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)* - On 25 May 2023, the IASB issued *Supplier Finance Arrangements* amending IAS 7 Cash Flow Statement and IFRS 7 Financial Instruments: Disclosures (the Amendments). These Amendments were made following a request received from IFRIC regarding the requirements for the presentation of liabilities and related cash flows arising from supply chain financing agreements (hereinafter "supplier finance arrangements" or "reverse factoring") and related disclosures. In December 2020, IFRIC published an *Agenda decision - Supply Chain Financing Arrangements—Reverse Factoring* which responded to this request based on the IFRS provisions in force at the time. During this process, the various stakeholders indicated limitations due to the requirements then existing to respond to important information needs of users in order to understand the effects of reverse factoring on the financial statements of an entity and to compare one entity with another. In response to this feedback, the IASB adopted a draft limited amendment to the standards, which led to the Amendments. The Amendments require entities to provide certain specific information (qualitative and quantitative) relating to supplier finance arrangements. The Amendments also provide guidance on the characteristics of the supplier finance arrangements.

All amendments entered into force on 1 January 2024. The adoption of these amendments had no impact on the Group's condensed interim consolidated financial statements.

b) IFRS accounting standards, amendments and interpretations not yet endorsed by the European Union

As at the reference date of this document, the competent European Union bodies have not yet concluded the approval process required for adoption of the amendments and standards described below.

- On 30 May 2024, the IASB published the document "*Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7*". The document clarifies some problematic issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary on the achievement of ESG objectives (i.e. green bonds). In particular, the amendments aim to:
    - clarify the classification of financial assets with variable returns and linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for assessment of the SPPI test;
    - determine that the settlement date of the liabilities through electronic payment systems is the date on which the liability is extinguished. However, an entity may adopt an accounting policy to allow for the accounting elimination of a financial liability before delivering cash at settlement date under certain specific conditions.

With these amendments, the IASB has also introduced additional disclosure requirements relating in particular to investments in equity instruments designated to FVOCI.

The amendments will apply as from the financial statements of the financial years starting on or after 1 January 2026.

- On 9 May 2024, the IASB published a new standard "*IFRS 19 - Subsidiaries without Public Accountability: Disclosures*"; The new standard introduces certain simplifications in relation to the disclosure required by other IAS-IFRS standards. This standard may be applied by an entity that meets the following key criteria:
    - it is a subsidiary;
    - has not issued capital or debt instruments listed on a market and is not in the process of issuing them;
    - has its own parent company that prepares consolidated financial statements in accordance with IFRS.

The new standard will enter into force on 1 January 2027, but early application is permitted.

- On 9 April 2024, the IASB published a new standard "*IFRS 18 Presentation and Disclosure in Financial Statements*" which will replace IAS 1 *Presentation of Financial Statements*. The new standard aims to improve the presentation of the main financial statements and introduces significant amendments to the income statement. In particular, the new standard requires:
    - classify revenues and costs into three new categories (operating section, investment section and financial section), in addition to the categories of taxes and discontinued activities already present in the profit and loss account;
    - present two new sub-totals, the operating result and the result before interest and taxes (i.e. EBIT).

The new standard also:

- requires more information on performance indicators defined by management;
- introduces new criteria for the aggregation and breakdown of information; and,
- introduces a number of changes to the cash flow statement, including a request to use the operating result as a starting point for the presentation of the cash flow statement prepared using the indirect method and the elimination of some options for classifying certain existing items (such as interest paid, interest received, dividends paid and dividends received).

The new standard will enter into force on 1 January 2027, but early application is permitted.

- On 15 August 2023, the IASB published an amendment entitled "*Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*". The document requires an entity to apply a methodology to be applied consistently in order to verify whether one currency can be converted into another and, where this is not possible, how to determine the exchange rate to be used and the disclosure to be provided in the notes.

The amendment will apply from 1 January 2025, but earlier application is permitted.

- On 30 January 2014, the IASB published *IFRS 14 – Regulatory Deferral Accounts* which allows only those adopting IFRS for the first time to continue to recognise the amounts relating to assets subject to regulated tariffs ("*Rate Regulation Activities*") according to the previous accounting standards adopted.

As the GVS Group is not a first-time adopter, this standard does not apply to it.

No significant effects on the consolidated financial statements of the GVS Group are expected from the adoption of the above amendments.

4. Estimates and assumptions

Preparation of financial statements requires directors to apply accounting standards and methods which, in certain circumstances, are based on difficult and subjective measurements and estimates which are based on historical experience and on assumptions which may or may not be considered reasonable and realistic, depending their circumstances.

Application of these estimates and assumptions influences the amounts appearing in the accounts in the financial statements, such as the statement of financial position, the income statement, the overall income statement, the financial report and the explanatory information supplied. The final results of items in the financial statements determined on the basis of estimates and assumptions may differ, in some cases significantly, from those appearing in financial statements which report the effects of the occurrence of the event estimated, due to the uncertainty characteristic of assumptions and the conditions on which estimates are based.

For a more detailed description of the valuation processes relevant to the Group, please read the corresponding section of the Consolidated Financial Statements for the year ended 31 December 2023.

5. Management of financial risk

In the area of business risk, the principal risks identified, monitored and, to the extent specified below, actively managed by the Group are as follows:

- market risk, deriving from oscillating exchange rates between the Euro and the other currencies in which the Group operates, and of interest rates;
- credit risk, deriving from the possibility of counterparts *defaulting*;
- liquidity risk, deriving from insufficiency of financial resources to fulfil financial commitments.

The Group's goal is to maintain balanced management of its financial exposure over the years in order to guarantee a debt structure that is balanced with the composition of the company's assets and capable of guaranteeing the necessary flexibility in operations through use of liquidity generated by current operations and resort to bank loans.

The capacity of characteristic management to generate liquidity and the capacity for indebtedness allow the Group to adequately satisfy the requirements of its operations and financing of operative working capital and investment capital, and to fulfil its financial obligations.

The Group's financial policy and management of financial risk are guided and monitored at the central level. In particular, the central finance function assesses and approves provisional financial requirements, monitors trends and applies appropriate corrective actions where necessary.

In relation to the wars in Ukraine and in the Middle East, the Company monitors the geopolitical context and the situation in these countries on a daily basis to assess the potential direct and indirect effects in future, both in terms of strengthening the inflation dynamics in the supply markets of raw materials and energy costs, and in terms of sales reduction in the affected areas. Currently, the Group's direct exposure to the areas concerned is marginal.

The following note supplies qualitative information on the impact of these risks on the Group.

5.1 Market risk

Exchange rate risk

Exposure to exchange rate risk is a result of the Group's commercial activities conducted in currencies other than the Euro. Revenues and costs in foreign currency may be influenced by exchange rate fluctuation with an impact on sales margins (economic risk), just as trade payables and receivables in foreign currency may be affected by the exchange rate used, with an impact on economic results (transaction risk). Finally, fluctuating exchange rates also have an impact on consolidated profit or loss and on shareholders' equity, because the financial statements of a number of Group companies are prepared in currencies other than the Euro and then converted (translation risk).
The Group has not entered into any contracts hedging exchange rate fluctuations during the month of July 2024.

Interest rate risk

The Group uses external financial resources in the form of debts and, where considered appropriate, invests available liquidity in money market instruments. Variations in interest rates influence the cost and yield of various forms of financing and investment, and therefore have an impact on the level of consolidated net financial costs. The Group is exposed to the risk of interest rate fluctuations, in view of the fact that some of its debts have variable interest rates. The Group's policy aims to limit/eliminate the risk of interest rate fluctuation by subscribing contracts hedging the risk of interest rate variation.

5.2 Credit risk

The Group deals with exposure to the credit risk inherent in the possibility of insolvency (defaulting) and/or deterioration of the creditworthiness of its customers through instruments for assessing each individual counterpart through a dedicated organisational structure equipped with adequate tools for constant daily monitoring of customers' behaviour and creditworthiness.

The Group is currently structured to implement a process of ongoing monitoring of credits, modulated with different degrees of reminders, varying on the basis of specific knowledge of the customer and of the number of days by which payment is delayed, in order to optimise working capital and minimise this form of risk.

5.3 Liquidity risk

Liquidity risk represents the possibility of the Group becoming incapable of obtaining the financial resources necessary to guarantee current operations and fulfilment of obligations falling due, or that these resources might be available only at a high cost.
In order to mitigate this risk, the Group: *(i)* periodically determines forecast financial requirements on the basis of the operative needs, in order to act promptly to obtain any additional resources that may be necessary, *(ii)* performs all actions required to obtain such resources, *(iii)* ensures adequate composition in terms of due dates, instruments and degree of availability.
The Group believes the lines of credit currently available, combined with the cash flows generated by current operations, to be sufficient to meet financial requirements for and repayment of loans on their due dates.

5.4 Capital management

The Group's capital management aims to guarantee a solid credit rating and appropriate levels of capital indicators to support the Group's investment plans and fulfil contractual commitments to financial backers.

The Group has the capital necessary to finance its requirements for growth of its business lines and for its operations; sources of financing represent a balanced mix of risk capital and debt capital, in order to guarantee a balanced financial structure and minimise the total cost of capital, benefiting all stakeholders.

Remuneration of risk capital is monitored on the basis of market trends and business performance, once all other obligations, such as service of the Group's debt, have been fulfilled; in order to ensure adequate remuneration of capital, safeguarding of business continuity and growth of lines of business, the Group constantly monitors the evolution of its level of indebtedness in relation to shareholders' equity, business trends, and forecast short, medium and long-term cash flows.

5.5 Categories of financial assets and liabilities and information on fair value

Categories of financial assets and liabilities

The tables below break down financial assets and liabilities by category according to IFRS 9 at 30 June 2024 and 31 December 2023.

(in thousands of Euro)	Book value	
	As at 30 June 2024	**As at 31 December 2023**
FINANCIAL ASSETS:		
Financial assets measured at amortised cost:		
Non-current financial assets	3,104	3,502
Other receivables and non-current assets	-	3,037
Trade receivables	59,429	54,114
Other receivables and current assets	8,272	10,458
Current financial assets	75,824	168
Cash and cash equivalents	59,203	191,473
	205,832	262,752
Financial assets measured at fair value entered in the income statement:		
Non-current financial assets	29	29
Current financial assets	2,817	2,317
	2,846	2,345
Derivative financial instruments	**4,049**	**4,829**
TOTAL FINANCIAL ASSETS	**212,727**	**269,926**

(in thousands of Euro)	Book value	
	As at 30 June 2024	**As at 31 December 2023**
FINANCIAL LIABILITIES:		
Financial liabilities measured at amortised cost:		
Non-current financial liabilities	304,037	351,337
Non-current leasing liabilities	13,586	13,164
Current financial liabilities	105,198	107,729
Current leasing liabilities	7,234	7,384
Trade payables	44,587	38,452
Other current payables and liabilities	27,009	25,003
	501,651	**543,069**
Financial liabilities measured at fair value entered in the income statement:		
Debt for the purchase of equity investments and non-current earn out	7,905	24,677
Debt for the purchase of equity investments and current earn out	19,026	18,342
	26,931	**43,019**
TOTAL FINANCIAL LIABILITIES	**528,582**	**586,088**

In view of the nature of short-term financial assets and liabilities, the book value of the majority of these items is considered to represent a reasonable approximation of fair value.

Non-current financial assets and liabilities are regulated or measured at market rates, and their fair value is therefore considered to be substantially in line with their current book value.

Information on fair value
IFRS 13 requires the value of assets and liabilities measured at fair value in the company's financial position to be classified on the basis of a hierarchy of levels reflecting the significance of the input used to determine fair value. The fair value of financial instruments is classified on the basis of the following hierarchic levels:

- **Level 1**: fair value determined with reference to listed prices (not adjusted) on active markets for identical financial instruments. In Level 1 the emphasis is therefore placed on determination of the following elements: (a) the principal market for the asset or liability, or, in the absence of a principal market, the most advantageous market for the asset or liability; (b) the possibility of the entity conducting a transaction in the asset or liability at the price in effect on that market as at the measurement date.
- **Level 2**: fair value determined with reference to assessment techniques referring to variables that may be observed on active markets. The input for this level includes: (a) prices listed for similar assets or liabilities in active markets; (b) prices listed for identical or similar assets or liabilities in inactive markets; (c) figures other than the listed prices that may be observed for the assets or liabilities, such as interest rates or yield curves which may be observed at commonly listed intervals, implicit volatility, credit spread, or input conformed by the market.
- **Level 3**: fair value determined on the basis of assessment techniques referring to market variables that cannot be observed.

The tables below list financial assets and liabilities measured at fair value, divided on the basis of their levels in the hierarchy at 30 June 2024 and 31 December 2023:

(in thousands of Euro)	**As at 30 June 2024**		
	Level 1	**Level 2**	**Level 3**
Non-current financial assets	-	-	29
Current financial assets	-	2,817	-
Non-current derivative financial instruments	-	4,049	-
Total assets measured at fair value	**-**	**6,866**	**29**

(in thousands of Euro)	**As at 30 June 2024**		
	Level 1	**Level 2**	**Level 3**
Liabilities for the purchase of equity investments and non-current earn out	-	-	7,905
Liabilities for the purchase of equity investments and current earn out	-	-	19,026
Total liabilities measured at fair value	**-**	**-**	**26,931**

(in thousands of Euro)	**As at 31 December 2023**		
	Level 1	**Level 2**	**Level 3**
Non-current financial assets	-	-	29
Current financial assets	-	2,317	-
Non-current derivative financial instruments	-	4,829	-
Total assets measured at fair value	**-**	**7,146**	**29**

(in thousands of Euro)	As at 31 December 2023		
	Level 1	**Level 2**	**Level 3**
Liabilities for the purchase of equity investments and current earn out	-	-	24,677
Liabilities for the purchase of equity investments and non-current earn out	-	-	18,342
Total liabilities measured at fair value	**-**	**-**	**43,019**

There have been no transfers among different levels in the fair value hierarchy in the financial years under consideration here.

6. Information on operating segments

Information on operating segments has been prepared on the basis of IFRS 8 "Operating segments" (hereinafter "**IFRS 8**"), which requires the information to be presented consistently with the methods adopted by the directors in making operative decisions.
The Group bases its management on a matrix structure divided by product line, distribution channel and geographic area, an organisation which identifies a unified strategic vision of the business in a synthetic view. This structure is reflected in the way in which management monitors and strategically guides the Group's activities. Top management reviews the Group's economic performance as a whole, so individual operating segments may not be identified. The Group's activity has therefore been represented as a single segment for the purposes of reporting under IFRS 8.
Details of revenues from contracts with customers by product line, distribution channel and geographic area appear in note 8.1.

7. Notes to the consolidated statement of assets and liabilities

7.1 Intangible assets

The table below reports the composition of, and movement in, intangible assets in the half-year ending 30 June 2024.

(in thousands of Euro)	**Development costs**	**Goodwill**	**Customer relationship**	**Technology**	**Industrial patent rights and rights to use intellectual property**	**Concessions, licenses, trademarks, and similar rights**	**Other fixed assets**	**Fixed assets in progress**	**Total**
Historical cost as at 31 December 2023	**22,214**	**242,759**	**203,182**	**26,308**	**12,670**	**32,870**	**3,532**	**1,184**	**544,719**
Investments	3,407	-	-	-	14	110	-	609	**4,141**
Reclassification	46	-	-	-	26	129	-	368	**569**
Conversion reserves	479	3,064	3,285	727	306	555	90	47	**8,554**
Historical cost at the end of the period	**26,146**	**245,823**	**206,467**	**27,035**	**13,017**	**33,665**	**3,622**	**2,208**	**557,983**
Provision for amortisation and depreciation as at 31 December 2023	**(11,186)**	**-**	**(36,539)**	**(3,398)**	**(9,046)**	**(9,522)**	**(3,327)**	**-**	**(73,018)**
Amortisation and depreciation	(1,791)	-	(6,069)	(794)	(535)	(693)	(15)		**(9,898)**
Reclassification	-		-	-	-	(138)	135		**(3)**
Conversion reserves	(291)		(951)	(94)	(200)	(81)	(113)		**(1,731)**
Depreciation fund at the end of the period	**(13,268)**	**-**	**(43,560)**	**(4,287)**	**(9,781)**	**(10,434)**	**(3,321)**	**-**	**(84,650)**
Net book value as at 31 December 2023	**11,028**	**242,759**	**166,643**	**22,910**	**3,624**	**23,348**	**205**	**1,184**	**471,701**
Net book value at the end of the period	**12,878**	**245,823**	**162,907**	**22,749**	**3,236**	**23,230**	**301**	**2,208**	**473,333**

Intangible assets with a defined useful lifespan

Customer relationship reflects the value of business relations measured following allocation of the consideration paid for the takeover of KUSS, RPB, STT and Haemotronic.

Patent rights primarily reflect the value measured at the time of allocation of the consideration paid for the KUSS takeover, in addition to filing of new patent applications.

The technology refers exclusively to what is valued in the allocation of the consideration paid for the acquisition of RPB and STT.

The trademarks refer mainly to what is valued in the allocation of the consideration paid for the acquisitions of RPB and STT.

Concessions, licences and similar rights represent the purchase and customisation of industrial management and programming software.

Investment in intangible assets in the half-year ending 30 June 2024, amounting to Euro 4,141 thousand, was primarily attributable to the cost of development and fixed assets in progress and reflects amounts paid for development of new products and the corresponding production processes.

The "Reclassification" line also includes a reclassification from tangible fixed assets to intangible fixed assets.

At 30 June 2024, the Group had not found any indicators of impairment of intangible assets.

Intangible assets with an indefinite useful lifespan

Goodwill
At 30 June 2024 the value of goodwill, amounting to Euro 245,823 thousand (Euro 242,759 thousand at 31 December 2023), mainly refers to the acquisition of the STT Groups, Haemotronic, KUSS and RPB, as well as other previous business combinations. The change in the period is attributable to the exchange rate effect of Euro 3,064 thousand.

In accordance with the requirements of IAS 36, the Group verified the absence of impairment indicators at 30 June 2024 with reference to goodwill recognised in intangible assets. In particular, the Group has not found any indicators of impairment in view of: *(i)* economic and financial performance in line with budget forecasts; *(ii)* medium/long-term growth rates in line with those determined in previous estimates; *(iii)* no interruptions or slowdowns in its operations that had a noteworthy impact on its economic or financial performance; *(iv)* investment forecasts unchanged, in terms of overall values, with respect to what was planned and *(v)* no changes in its business model.
Furthermore, it is believed that the change in interest rates which characterised the last financial year and the first half of 2024 is not such as to lead to a significant increase in the discount rate used and to significantly reduce the recoverable value of goodwill.

At the reporting date of these condensed interim consolidated financial statements, based on what is described in the previous paragraph, the Group's management did not find any elements that could change the results obtained with reference to the impairment test carried out at 31 December 2023, consequently confirming the results also as at 30 June 2024.
The main assumptions used to determine the recoverable value, as well as the outcome of the impairment test carried out at 31 December 2023, are illustrated in the Consolidated Financial Statements for the year ended 31 December 2023, to which reference should be made.

7.2 Assets represented by usage rights and current and non-current leasing liabilities

The principal items of capital information regarding the Group's leasing contracts, primarily as tenant, appear in the table below.

(in thousands of Euro)	As at 30 June 2024	As at 31 December 2023
Net book value of right of use assets (real estate)	16,401	15,324
Net book value of right of use assets (automobiles)	1,356	1,266
Net book value of right of use assets (machinery)	3,710	3,617
Total net book value of right of use assets	**21,466**	**20,207**
Current leasing liabilities	7,234	7,384
Non-current leasing liabilities	13,586	13,164
Total leasing liabilities	**20,820**	**20,548**

The table below shows the principal economic and financial information on the Group's leasing contracts.

(in thousands of Euro)	Half-year ended 30 June	
	2024	2023
Amortisation of right of use assets (real estate)	3,031	2,260
Amortisation of right of use assets (automobiles)	401	343
Amortisation of right of use assets (machinery)	281	224
Total amortisation of right of use assets	**3,713**	**2,827**
Interest payable on leases	**299**	**226**
Total outgoing cash flows due to leasing	**4,892**	**3,504**

The assets represented by usage rights relating to buildings mainly relate to the leasing of five production sites in North America, the production sites in Italy, production plants in Mexico, Romania and Brazil and various buildings used for production in the United Kingdom.

The right of use assets recorded for the half-year ended 30 June 2024 mainly relate to the renewal of lease agreements for buildings used in production plants and warehouses, located in Italy and Romania.

As at 30 June 2024, the Group had not identified any indicators of lasting impairment of assets corresponding to usage rights.

7.3 Tangible assets

The table below shows the breakdown and movements of tangible assets in the years ending 30 June 2024.

(in thousands of Euro)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Improvements on third party assets	Tangible assets in progress and advances	Total
Historical cost as at 31 December 2023	**26,528**	**155,265**	**84,786**	**15,414**	**14,112**	**24,329**	**320,434**
Investments	(0)	1,019	156	675	61	13,162	**15,073**
Disposal	-	(502)	(246)	(265)	-	-	**(1,013)**
Reclassification	3,305	4,676	2,289	46	286	(11,171)	**(569)**
Write-downs	-	-	-	-	-	(24)	**(24)**
Conversion reserves	786	(50)	(64)	(5)	(575)	73	**165**
Historical cost at the end of the period	**30,619**	**160,408**	**86,921**	**15,865**	**13,883**	**26,369**	**334,065**
Provision for amortisation and depreciation as at 31 December 2023	**(1,656)**	**(112,522)**	**(63,861)**	**(12,559)**	**(6,951)**	**-**	**(197,550)**
Amortisation and depreciation	(512)	(4,047)	(2,608)	(521)	(551)	**-**	**(8,239)**
Disposal	-	461	244	167	-	**-**	**873**
Reclassification	-	(67)	10	**86**	(26)	**-**	**3**
Conversion reserves	(544)	(110)	29	(18)	465	**-**	**(179)**
Depreciation fund at the end of the period	**(2,712)**	**(116,284)**	**(66,186)**	**(12,846)**	**(7,063)**	**-**	**(205,091)**
Net book value as at 31 December 2023	**24,872**	**42,743**	**20,925**	**2,855**	**7,161**	**24,329**	**122,884**
Net book value at the end of the period	**27,907**	**44,124**	**20,735**	**3,019**	**6,820**	**26,369**	**128,974**

Tangible assets refer primarily to capital goods, such as plant, machinery, moulds and equipment used in the production process.

Investments in property, plant and equipment for the six months ended 30 June 2024, amounting to Euro 15,073 thousand, were mainly attributable to the strengthening of the production capacity and the construction of the new Suzhou production plant in China, the latter amounting to Euro 4,594 thousand. The net value of investments in tangible assets in progress at 30 June 2024 includes investment in the construction of this new production plant in China, which is expected to be completed during 2025.

In the period in question, write-downs of tangible fixed assets were recorded for Euro 24 thousand, for which the long-term usefulness of these investments is no longer recognised.

As at 30 June 2024, there were no real estate assets or capital goods burdened by any kind of guarantee provided to a third party.

7.4 Deferred tax assets and deferred tax liabilities

Deferred tax assets, amounting to Euro 1,176 thousand at 30 June 2024 (Euro 2,852 thousand at 31 December 2023), include the tax charge corresponding to temporary differences arising between pre-tax result and taxable profit in relation to deferred deductibility items. The allocation of deferred tax assets was made by assessing the existence of the conditions for the recoverability of these assets in future on the basis of expected results.

Deferred tax liabilities at 30 June 2024 totalled Euro 34,338 thousand (Euro 35,447 thousand at 31 December 2023) and refer to temporary differences arising between the result for the period and taxable profit in relation to deferred deductibility items.

7.5 Financial assets (current and non-current)

The table below reports details of current and non-current financial assets as at 30 June 2024 and 31 December 2023.

(in thousands of Euro)	**As at 30 June 2024**	**As at 31 December 2023**
Security deposits	3,104	3,082
Loans	-	420
Capital instruments	29	29
Non-current financial assets	**3,133**	**3,531**
Investment funds	2,817	2,317
Term deposits	75,745	-
Current leasing assets	79	168
Current financial assets	**78,641**	**2,484**
Total financial assets	**81,774**	**6,015**

Security deposits, classified as financial assets measured at amortised cost: on the basis of IFRS 9, represent a down-payment on an investment and for sums paid under existing leasing agreements.
Leasing assets refer to a sub-leasing contract assessed as a financial asset on the basis of the requirements of IFRS 16. The sub-lease, identified under a contract with a customer, regards a portion of a production site in North America.
Investment funds, classified as financial assets measured at fair value entered in the income statement on the basis of IFRS 9, mainly represent excess liquidity invested in unlisted securities representing investment funds, primarily linked with the course of interbank interest rates on the Brazilian market.

The item loans, at 31 December 2023, is attributable to a loan granted by subsidiary Htmex Inc. to a counterpart outside the Group. This loan was collected in full during the half-year under review.

Time deposits as at 30 June 2024 refer to sums deposited by the Parent Company in bank current accounts with a maturity of more than 3 months, including the related interest accrual.

7.6 Non-current derivative financial instruments

Non-current active financial derivatives amount to Euro 4,049 thousand (Euro 4,829 thousand at 31 December 2023).
The balance of this item is entirely the result of the positive fair value of five IRS (*Interest rate Swap*) derivative contracts hedging the risk of changes in interest rates of contracts entered into with Unicredit and Mediobanca during 2020 and the syndicated loan taken out with Unicredit, Mediobanca and Credit Agricole in 2021. The derivative financial instruments, having individually an original notional amount equal to the nominal value of the hedged items, guarantee a fixed interest rate for the entire duration of the loans covered.

In accordance with the provisions of IFRS 9, the derivatives contracts were designated as a financial instrument hedging interest rates. Consequently, the changes in the fair value of the derivatives were accounted for in a specific equity reserve, with an impact on the comprehensive income statement.

7.7 Inventories

The table below reports details of inventories as at 31 December 2023 and 30 June 2024.

(in thousands of Euro)	**As at 30 June 2024**	**As at 31 December 2023**
Finished products and goods	37,173	37,105
Raw materials, subsidiary materials and consumables	43,338	43,065
Products in progress and semi-products	13,766	10,722
Spare parts	3,166	2,938
Gross inventories	**97,444**	**93,831**
Provision for write-down of inventory	(7,124)	(6,474)
Provision for write-downs of spare parts	(2,706)	(2,548)
Inventories	**87,614**	**84,808**

The provision for write-down of inventories and spare parts increased during the period as a result of the provision and exchange rate effect amounting to Euro 770 thousand and Euro 213 thousand respectively, net of uses amounting to Euro 175 thousand.

7.8 Trade receivables

The table below reports details of trade receivables as at 30 June 2024 and 31 December 2023.

(in thousands of Euro)	**As at 30 June 2024**	**As at 31 December 2023**
Trade receivables from customers	63,846	58,108
Trade receivables from related parties	166	92
Trade receivables (gross)	**64,012**	**58,200**
Provision for write-down of trade receivables	(4,583)	(4,086)
Trade receivables	**59,429**	**54,114**

The book value of trade receivables is considered to approximate their fair value. Towards the end of the half-year, the Group availed itself of the instrument of transferring a portion of its trade receivables through factoring without recourse transactions. At 30 June 2024, the amount of trade receivables through non-recourse factoring, for which derecognition of the relative receivables was carried out, amounted to Euro 13,718 thousand (Euro 15,094 thousand at 31 December 2023).

The table below reports movements in the provision for write-down of trade receivables in the half-year ending 30 June 2024.

(in thousands of Euro)	**Provision for write-down of trade receivables**
As at 31 December 2023	**4,086**
Net provisions	520
Use	(75)
Conversion reserves	52
As at 30 June 2024	**4,583**

Net provisions to the provision for write-down of receivables appear in the income statement under the item net write-downs of financial assets (see note 8.7).

7.9 Assets and liabilities deriving from contracts with customers

Assets from contracts with customers, amounting to Euro 929 thousand at 30 June 2024 (Euro 964 thousand at 31 December 2023), primarily represented the right to obtain a consideration for goods transferred to customers in relation to the production of moulds and equipment.

Liabilities from contracts with customers, worth Euro 5,435 thousand at 30 June 2024 (Euro 6,029 thousand at 31 December 2023) primarily represent advances received from customers for contractual obligations not yet met.

Assets and liabilities from contracts with customers are shown net in the statement of assets and liabilities if they refer to the same contractual obligation to the same customer. The table below shows the gross amount of assets and liabilities from contracts with customers, and how they are compensated, as at 30 June 2024 and 31 December 2023.

(in thousands of Euro)	**As at 30 June 2024**	**As at 31 December 2023**
Gross assets from contracts with customers	1,067	1,577
Compensation with liabilities from contracts with customers	(138)	(613)
Assets from contracts with customers	**929**	**964**
Gross liabilities from contracts with customers	5,573	6,642
Compensation with assets from contracts with customers	(138)	(613)
Liabilities from contracts with customers	**5,435**	**6,029**

7.10 Current tax receivables and payables

Current tax receivables at 30 June 2024 amounted to Euro 14,387 thousand (Euro 7,486 thousand at 31 December 2023).

Current tax payables at 30 June 2024 amounted to Euro 9,383 thousand (Euro 8,130 thousand at 31 December 2023).

The changes in the net balances of the assets and liabilities in question for the six months ended 30 June 2024 mainly concern the allocation of current income taxes of Euro 6,267 thousand and payments and advances of Euro 7,199 thousand respectively. It should be noted that during the period, GVS SpA's income tax receivables were increased by Euro 2,942 thousand as a result of the tax benefit recognised for the *Patent Box*; for further information, please see the following paragraph on taxes.

7.11 Other receivables and assets (current and non-current)

Other receivables and non-current assets, at 31 December 2023 amounting to Euro 3,037 thousand, refer exclusively to the indemnity recognised at the acquisition date from the seller of Haemotronic SpA and its subsidiaries group, to cover specific risks pertaining to the group acquired in 2022. In the first half of the current year, this receivable was collected and offset for a total of Euro 1,859 thousand and, following the downsizing of the indemnity obtained from the seller of the Haemotronic Group, a cost of Euro 1,137 thousand was recognised, in line with the change in the provision for risks present in the financial statements, the release of which entailed income of the same amount in the item other income in the income statement.

The table below reports details of other receivables and current assets as at 30 June 2024 and 31 December 2023.

(in thousands of Euro)	**As at 30 June 2024**	**As at 31 December 2023**

Advances and instalments	1,095	619
Tax receivables	5,679	8,219
Prepaid expenses	3,636	1,676
Receivables from government agencies	1,811	1,525
Receivable from employees	241	129
Other receivables	541	585
Other receivables and current assets	**13,003**	**12,753**

Advances and instalments primarily represent sums paid for supplies yet to be received and commitments to honour.

Tax receivables primarily represent VAT credits with internal revenue.

Receivables from government agencies mainly refer to receivables for contributions to be collected, related to specific projects developed by the Group and for which specific contributions have been approved.

The slight increase in other current assets at 30 June 2024 compared with 31 December 2023 is mainly attributable to prepaid expenses (an increase due to the fact that this is an interim situation), receivables from government agencies, advances and instalments, net of the reduction in tax receivables for indirect taxes.

7.12 Cash and cash equivalents

The table below reports details of cash on hand as at 30 June 2024 and 31 December 2023.

(in thousands of Euro)	**As at 30 June 2024**	**As at 31 December 2023**
Bank and postal accounts	59,190	191,454
Cash and cash equivalents on hand	13	19
Cash on hand and cash equivalents	**59,203**	**191,473**

As at 30 June 2024, cash on hand was not subject to any restrictions or limitations.

The financial report shows variations in cash on hand during the periods under examination.

7.13 Shareholders' equity

The table below reports details of shareholders' equity as at 30 June 2024 and 31 December 2023.

(in thousands of Euro)	**As at 30 June 2024**	**As at 31 December 2023**
Share capital	1,750	1,750
Share premium reserve	92,770	92,770
Legal reserve	350	350
Extraordinary reserve	55,199	64,903
Translation reserve	(4,068)	(7,676)
Negative reserve for treasury shares	(2,721)	(2,524)
Actuarial profits and losses reserve	244	244
Profit (loss) carried over and other reserves	194,846	170,987
Net income	19,016	13,647
Shareholders' equity attributable to non-controlling interests	23	27
Total shareholders' equity	**357,409**	**334,478**

The statement of variations in consolidated shareholders' equity appears in the note on this topic.

Movements in shareholders' equity in the period ending 30 June 2024 pertained to:

- entry of the consolidated comprehensive annual net profit for the period, amounting to Euro 22,027 thousand;
- the purchase of treasury shares for Euro 154 thousand;
- the increase in reserves following the new long-term incentives plan for Euro 1,058 thousand.

Share capital

As at 30 June 2024, the Company's fully subscribed and paid-up share capital was Euro 1,750 thousand, divided into 175,000,000 ordinary shares with no par value.

Translation reserve

The translation reserve includes all differences resulting from translation into Euro of the financial statements of subsidiaries included in the consolidation perimeter expressed in foreign currency.

Negative reserve for treasury shares

The treasury shares reserve refers to the purchase of 267,074 treasury shares representing a total stake of 0.15% in the Company's share capital.

Actuarial profits and losses reserve

The actuarial profits and losses reserve includes profits and losses deriving from changes to the actuarial hypotheses in relation to defined benefit plans.

Cash flow hedge reserve

At 30 June 2024, this item amounted to a positive Euro 4.049 thousand and was related to interest rate hedging contracts entered into to specifically hedge variable rate loan agreements.

Reserve from first adoption of EU-IFRS

The reserve for first adoption of EU-IFRS, included among other reserves, has a negative balance of Euro 1,532 thousand, and represents the effects of conversion from Italian accounting standards to EU-IFRS standards.

7.14 Liabilities for the purchase of equity investments and current and non-current earn out

The total amount of this item, as at 30 June 2024, amounted to Euro 26,931 thousand and refers to the variable component of the price defined in the business combination in relation to the Haemotronic and STT groups. The change in the period mainly relates to the payment of the first earn out made to the seller of the Haemotronic group, amounting to Euro 19,000 thousand.
These payables were discounted upon initial recognition.

7.15 Financial liabilities (current and non-current)

The table below reports details of current and non-current financial liabilities as at 30 June 2024 and 31 December 2023.

(in thousands of Euro)	**As at 30 June 2024**	**As at 31 December 2023**

	Current portion	Non-current portion	Current portion	Non-current portion
2014 Bond Loan	-	-	4,525	-
2017 Bond Loan	7,999	-	7,993	-
Total bonded loans	**7,999**	**-**	**12,518**	**-**
Mediobanca loan (2020)	4,437	2,218	4,437	4,437
Unicredit loan (2020)	4,007	2,006	4,002	4,012
Club Deal loan (2021)	33,698	71,140	29,944	89,832
Club Deal loan (2022)	45,837	148,969	45,818	171,818
Valsabbina loan (Haemotronic)	375	750	375	938
Credem loans (Haemotronic)	602	-	601	301
BPM loans (Haemotronic)	629	-	1,258	-
BPER loan (Haemotronic)	532	2,372	530	2,638
Intesa loans (Haemotronic)	1,145	752	1,102	1,304
Banco Popolare loan (Haemotronic)	578	145	577	435
Commercial lines of credit	29	-	7	-
Accrued payables	2,052	-	2,583	-
Total financial payables to banks	**93,921**	**228,353**	**91,233**	**275,714**
GVS Group Srl loan	2,586	75,000	1,531	75,000
Subsidised loan Horizon call for tenders	243	273	228	395
Loans under special terms Invitalia	45	204	45	227
Loan under special terms Invitalia 2024	-	208	-	-
Financial payables to factoring companies	403	-	2,174	-
Total other financial liabilities	**3,277**	**75,685**	**3,978**	**75,622**
Total financial liabilities	**105,198**	**304,037**	**107,729**	**351,337**

During the half-year ended 30 June 2024, GVS SpA obtained from the Ministry of Enterprise and *Made in Italy* subsidised financing of Euro 208 thousand relating to the first progress of work on the Sustainable Growth Fund – Ministerial Decree innovation agreement of 31/12/2021. The loan was granted at a rate of 0.93% on an annual basis, with a grace period of 2 years, half-yearly instalments and maturity of 30 June 2034.

Since there have been no material changes in the description of the main items making up the Group's financial liabilities as at 30 June 2024, please read the relevant notes to the consolidated financial statements as at 31 December 2023.

The financial parameters envisaged in the outstanding loan contracts were met on 30 June 2024.

The table below reports, for the half-year under examination, variations in financial liabilities resulting from cash flows generated and/or absorbed by financing, and deriving from non-monetary elements, as required by IAS 7.

(in thousands of Euro)	At 1 January 2023	Opening	Reclassification	Repayment	Variation in accrued payables on interest	Amortisation cost	(Profits) losses on exchanges	As at 30 June 2024
Non-current financial liabilities	351,337	208	(47,258)	-	-	-	(250)	304,037
Current financial liabilities	107,729	-	47,258	(50,557)	523	245	-	105,198
Total financial liabilities	**459,066**	**208**	**-**	**(50,557)**	**523**	**245**	**(250)**	**409,235**

7.16 Net financial indebtedness and net financial position

In accordance with the requirements of the CONSOB communication of 28 July 2006 and in compliance with ESMA guidelines of 4 March 2021 (ESMA32-382-1138), the net financial debt of the GVS Group at 30 June 2024 compared with the closing of the previous year is reported.

	(in thousands of Euro)	**As at 30 June 2024**	**As at 31 December 2023**
(A)	Cash and cash equivalents	59,203	191,473
(B)	Cash equivalents	-	-
	Term deposits	75,745	-
	Financial assets held for trading	2,817	2,317
	Financial lease receivables	79	168
(C)	Other current financial assets	**78,641**	**2,485**
(D)	**Liquidity (A)+(B)+(C)**	**137,844**	**193,958**
	Financial payables to parent companies	2,586	1,531
	Financial lease liabilities to other companies in the GVS Group	1,766	1,475
	Financial lease liabilities	5,468	5,909
	Other financial liabilities	19,717	20,789
(E)	Current financial indebtedness	29,537	29,704
(F)	Current portion of non-current indebtedness	101,921	103,751
(G)	**Current financial indebtedness (E)+(F)**	**131,458**	**133,455**
(H)	**Net current financial indebtedness (G)-(D)**	**6,386**	**60,503**
	Non-current bank borrowings	228,352	275,715
	Other financial liabilities	8,590	25,299
	Other financial liabilities to GVS Group	75,000	75,000
	Financial lease liabilities to other companies in the GVS Group	1,748	1,430
	Non-current financial lease liabilities	11,838	11,734
(I)	Non-current financial indebtedness	325,529	389,178
	Passive derivative financial instruments	-	-
(J)	Debt instruments	-	-
(K)	Trade payables and other non-current payables	-	-
(L)	**Non-current financial indebtedness (I)+(J)+(K)**	**325,529**	**389,178**
(M)	**Total net financial indebtedness (H)-(L)**	**(319,143)**	**(328,675)**

For further details on the composition of the items in the table, see Notes 7.5, 7.12, 7.14 and 7.15.

The Group's net financial position (including non-current active derivatives and non-current active loans, and excluding net current and non-current leasing liabilities recorded in accordance with the provisions of IFRS 16) amount to negative Euro 294,353 thousand at 30 June 2024 and Euro 303,046 thousand at 31 December 2023.

	(in thousands of Euro)	**As at 30 June 2024**	**As at 31 December 2023**
(M)	**Total net financial indebtedness**	**(319,143)**	**(328,675)**
	Non-current active derivative financial instruments	4,049	4,829
	Long-term financial receivables	-	420
	Financial lease liabilities (net)	20,741	20,380
	Total net financial position	**(294,353)**	**(303,046)**

The following table shows the adjusted net financial indebtedness:

	(in thousands of Euro)	**As at 30 June 2024**	**As at 31 December 2023**
(M)	**Total net financial indebtedness**	**(319,143)**	**(328,675)**
	GVS Group loan (including interest)	77,586	76,531
	Total adjusted net financial indebtedness	**(241,557)**	**(252,144)**

Adjusted net financial indebtedness was calculated by excluding from financial payables the amount of Euro 77,586 thousand, amounting to the shareholder loan received from GVS Group S.r.l. (Euro 75,000 thousand), in line with the definition of net financial indebtedness in existing loan agreements as regards the method of calculating financial covenants.

7.17 Provisions for employee benefits

As at 30 June 2024 and 31 December 2023, provisions for employee benefits represented termination indemnity allocated for employees and end of service indemnity allocated for directors.

7.18 Provisions for risks and charges

The table below shows the movements of provisions for risks and charges in the half-year ending 30 June 2024.

(in thousands of Euro)	**Provisions for risks and charges**
Balance as at 31 December 2023	**8,529**
Allocation	745
Release	(1,137)
Uses/offsets	(2,512)
Conversion reserves	31
Balance at 30 June 2024	**5,656**

In the consolidated financial statements at 30 June 2024, provisions for risks and charges amounted to Euro 5,656 thousand and related to *i)* the provision for tax risks set aside for prudential reasons in previous years, following complaints received regarding transfer pricing and *ii)* the provision relating to the relocation of plants and reorganisation of personnel.

In the first half of 2024, the Group recorded "other personnel costs" and "other operating costs" in the income statement respectively Euro 650 thousand and Euro 95 thousand for non-recurring expenses relating to the ongoing staff reorganisation process, with the related ancillary costs.
The period uses mainly refer to payments made to staff following the implementation of the reorganisation plan and to payments and/or offsets following the conclusion and downsizing of a specific dispute relating to Haemotronic SpA. In addition, following the settlement and subsequent liquidation of this dispute, it was decided to release the excess provision in full and account for the related non-recurring income of Euro 1,137 thousand. For more information, please refer to the previously described under "Other receivables and assets (current and non-current)".

7.19 Trade payables

The table below reports details of trade payables as at 30 June 2024 and 31 December 2023.

(in thousands of Euro)	As at 30 June 2024	As at 31 December 2023
Trade payables to suppliers	44,587	38,452
Trade payables to related parties	-	-
Trade payables	**44,587**	**38,452**

Trade payables primarily regard transactions for the purchase of raw materials, components and services.

The book value of trade payables is considered to approximate their fair value.

7.20 Other current payables and liabilities

The table below reports details of other payables and current liabilities as at 30 June 2024 and 31 December 2023.

(in thousands of Euro)	As at 30 June 2024	As at 31 December 2023
Payable to employees	18,315	16,668
Payable to social security institutions	4,587	4,153
Tax payables	2,833	2,881
Accrued payables	120	123
Deferred income	1,193	1,179
Payable to directors	1,059	997
Other	155	304
Other current payables and liabilities	**28,322**	**26,305**

Payables to employees primarily reflect salaries payable and deferred charges such as holidays, leave and bonuses.

Payables to social security institutions primarily represent payment of contributions owned to pension and social security institutions.

Tax payables as at 30 June 2024 primarily include tax payables for taxes not correlated to income, consisting primarily of VAT and other indirect taxes payable and withholding tax on employees' pay.

Deferred income mainly relates to contributions to non-repayable projects, the costs of which will be incurred in the second half of 2024 and subsequent years.

8. Notes to the consolidated income statement

8.1 Revenue from contracts with customers

The table below breaks down revenues from contracts with customers by division in the half-years ending 30 June 2024 and 30 June 2023.

(in thousands of Euro)	Half-year ended 30 June	
	2024	2023
Healthcare Liquid	112,905	113,880
Healthcare Air & Gas	15,480	14,677
Laboratory	16,277	16,313

Healthcare & Life Sciences	**144,662**	**144,870**
Powertrain & Drivetrain	13,988	15,276
Safety & Electronics	10,317	10,398
Sport & Utility	8,228	8,432
Energy & Mobility	**32,533**	**34,106**
Personal Safety	35,323	32,398
Air Safety	2,304	1,998
Health & Safety	**37,627**	**34,396**
Revenue from contracts with customers	**214,822**	**213,372**

In the first half of 2024, the GVS Group generated consolidated revenues of Euro 214.8 million, up on the revenues recorded in the same period of the previous year, thanks to the contribution of the *Health and Safety* division, whose growth offset the reduction in the other two divisions.

For further information on the trend in turnover compared with the same half of the previous year, please refer to what is set out in the Directors' Report on Operations.

The table below breaks down revenues from contracts with customers by type of sale in the half-years ending 30 June 2024 and 30 June 2023.

(in thousands of Euro)	**Half-year ended 30 June**	
	2024	**2023**
Business-to-business (BTB)	164,295	166,883
Business-to-consumer (BTC)	50,527	46,489
Revenue from contracts with customers	**214,822**	**213,372**

The table below breaks down revenues from contracts with customers by geographic area in the half-years ending 30 June 2024 and 30 June 2023.

(in thousands of Euro)	**Half-year ended 30 June**	
	2024	**2023**
North America	97,402	98,331
Europe	60,532	64,365
Asia	40,052	35,343
Other countries	16,836	15,333
Revenue from contracts with customers	**214,822**	**213,372**

Practically all the Group's contracts with customers do not involve variable payments.

The Group does not believe any of its contracts contain a significant financial component, or involve a time lapse of more than twelve months between the agreed date for transfer of the goods to the customer and the payment date. The Group has therefore not adjusted considerations due to take into account the time value of money.

In the case of contractual obligations fulfilled over time, the Group enters revenues from contracts with customers using methods based on the input used to fulfil the contractual obligation, consisting of costs incurred. In the case of contractual obligations fulfilled at a given time, revenues from contracts with customers are entered at the time of transfer of control over the assets.

8.2 Other operating income

The table below breaks down other operation income for the half-years ending 30 June 2024 and 30 June 2023.

(in thousands of Euro)	Half-year ended 30 June	
	2024	**2023**
Contributions for operating expenses	1,613	1,051
Release of provision for risks	1,137	-
Recovery and chargeback	308	439
Insurance refunds	126	273
Recovery of scrap	118	283
Capital gains on sales	59	71
Other	540	478
Other operating income	**3,901**	**2,595**

The release of the provision for risks of Euro 1,137 thousand was recognised in the first half of 2024, as a result of the conclusion and downsizing of a specific dispute relating to Haemotronic SpA, arising before the acquisition. Following the settlement and subsequent liquidation of the dispute, it was decided to release the excess provision in full and account for the relevant non-recurring income.

Contributions for operating expenses mainly refer to government subsidies obtained by GVS SpA and the subsidiary Haemotromic SpA to cover operating costs for the period.

The item contributions during the financial year, for the period ended 30 June 2023, includes non-recurring income relating to grants obtained from the Chinese government for the relocation of the production site of Euro 319 thousand.

8.3 Purchases and consumption of raw materials, semi-products and finished products

The table below breaks down purchases and consumption of raw materials, semi-products and finished products in the half-years ending 30 June 2024 and 30 June 2023.

(in thousands of Euro)	Half-year ended 30 June	
	2024	**2023**
Purchases of raw materials	68,868	73,930
Variation in inventories of products in progress, semi-finished goods and finished products	(3,494)	(2,618)
Variation in inventories of raw materials, subsidiary materials and goods	(939)	(1,026)
Purchases and consumption of raw materials, semi-products and finished products	**64,435**	**70,286**

The reduction at 30 June 2024 of the incidence of costs for purchases and consumption of raw materials, semi-finished products and finished products on revenues from contracts with customers is mainly due to the contribution of actions aimed at recovering profitability implemented by the Group.

8.4 Personnel costs

The table below breaks down personnel costs in the half-years ending 30 June 2024 and 30 June 2023.

(in thousands of Euro)	Half-year ended 30 June	
	2024	**2023**
Salaries and wages	53,090	51,360
Social security contributions	14,859	14,433
Cost of termination indemnity	1,209	911
Other costs	650	509
Personnel costs	**69,808**	**67,213**

For the period ended 30 June 2024, the item personnel costs includes non-recurring charges relating to the reorganisation process going on in the Group, amounting to Euro 631 thousand (Euro 649 at 30 June 2023).

8.5 Service costs

The table below breaks down service costs in the half-years ending 30 June 2024 and 30 June 2023.

(in thousands of Euro)	**Half-year ended 30 June**	
	2024	**2023**
Utilities and cleaning services	7,577	7,253
Maintenance	3,201	2,884
Transportation	3,491	3,797
Consulting services	2,497	3,295
Travel and lodging	1,596	1,348
Subcontracting	2,365	2,201
Marketing and trade fairs	945	761
Insurance	1,079	1,015
Services related to personnel	1,395	1,403
Commissions	2,277	2,062
Directors' fees	1,388	1,210
Other services	1,881	1,481
Service costs	**29,692**	**28,710**

8.6 Other operating costs

The table below breaks down other operating costs in the half-years ending 30 June 2024 and 30 June 2023.

(in thousands of Euro)	**Half-year ended 30 June**	
	2024	**2023**
Leasing costs	1,092	1,828
Indirect taxation	658	568
Membership fees and charity contributions	203	173
Allocation to provision for risks	95	857
Lower compensation from counterparty	1,137	-
Losses on sales	-	173
Other minor costs	536	540
Other operating costs	**3,721**	**4,139**

Other operating costs, for the period ended 30 June 2024, include the cost of downsizing the indemnity to be obtained from the seller of Haemotronic SpA in the amount of Euro 1,137 thousand, for a specific dispute, for which the special provision for risks was issued in the same amount (see paragraph 8.2).

Leasing costs include: *(i)* leasing fees for properties of modest value, for which the Group avails itself of the exemption permitted under IFRS 16, *(ii)* variable components of a number of leasing fees and *(iii)* costs connected with use of property under leasing agreements not subject to IFRS 16.

The item other operating costs, for the period ended 30 June 2023, includes non-recurring charges relating to costs allocated to the provision for the relocation and rationalisation of the Group's production sites (for a total of Euro 650 thousand) and costs allocated to the provisions for indirect tax risks and related fines of Euro 207 thousand, following the results of the tax verification concluded by the Romanian authorities at our subsidiary.

8.7 Net impairment losses on financial assets

Net write-downs of financial assets, entered on the basis of the requirements of IFRS 9, totalled Euro 520 thousand and Euro 479 thousand in the half-years ending 30 June 2024 and 2023, respectively, and represent write-down of trade receivables.

A breakdown of movements in the provision for write-down of receivables for the half-year ending 30 June 2024 appears in note 7.8 - "Trade receivables".

8.8 Amortisation, depreciation and write-downs

The table below breaks down amortisation, depreciation and write-downs in the half-years ending 30 June 2024 and 30 June 2023.

(in thousands of Euro)	**Half-year ended 30 June**	
	2024	**2023**
Amortisation and write-downs of intangible assets	9,898	9,557
Depreciation and write-downs of tangible assets	8,263	9,019
Amortisation and write-downs of right of use assets	3,713	2,827
Amortisation, depreciation and write-downs	**21,874**	**21,403**

A breakdown of the composition of, and movements in, intangible assets and tangible assets for the half-year ending 30 June 2024 is provided in notes 7.1 and 7.3. Information on assets represented by usage rights appears in note 7.2.

Depreciation and write-downs of tangible assets for the period ended 30 June 2024 include expenses relating to write-downs of property, plant and equipment of Euro 24 thousand.

8.9 Financial income and costs

The table below breaks down financial income in the years ending 30 June 2024 and 30 June 2023.

(in thousands of Euro)	**Half-year ended 30 June**	
	2024	**2023**
Net profits on exchanges	3,011	-
Other financial income	2,015	1,244
Financial income	**5,026**	**1,244**

The table below breaks down financial costs in the half-years ending 30 June 2024 and 30 June 2023.

(in thousands of Euro)	**Half-year ended 30 June**	
	2024	**2023**
Interest on bonded loans	137	423
Interest on loans	7,703	6,949
Net losses on exchanges	-	4,663
Interest on leasing liabilities	299	226
Amortised cost	245	281
Interest payable to parent companies	1,055	586
Interest for discounting for earn out	2,810	1,784
Other financial costs	259	105
Financial costs	**12,508**	**15,017**

Financial costs and income in the periods ending 30 June 2024 and 30 June 2023, respectively, include the net unrealised exchange gains and the net unrealised exchange losses deriving mainly from the adjustment in Euro of intra-group loans granted in dollars by GVS to the subsidiaries GVS NA Holdings Inc., GVS Technology (Suzhou) Co. Ltd. and GVS Filter Technology de Mexico.

The increase in interest for discounting earn out is mainly attributable to the Haemotronic business combination transaction, which took place at the end of June 2022.

8.10 Annual income tax

The table below breaks down annual income tax in the half-years ending 30 June 2024 and 30 June 2023.

(in thousands of Euro)	**Half-year ended 30 June**	
	2024	**2023**
Current taxes	6,267	6,524
Deferred taxes	(1,158)	(3,704)
Taxes pertaining to previous financial years	(2,938)	(191)
Income tax	**2,171**	**2,629**

Income taxes, in accordance with the provisions of IAS 34, are recognised on the basis of management's estimate of the weighted average expected annual effective tax rate for the entire year, amounting to 10.2% for the half-year ended 30 June 2024 (26.4% for the half-year ended 30 June 2023). The effective tax rate in the half-year under review was influenced by taxes from previous years, of a non-recurring nature related to the tax benefit of the *Patent Box*. Specifically, on 1 August 2023, GVS SpA signed an advance tax ruling with the Revenue Agency regarding the determination of the benefited income arising from intangible assets (so-called *Patent Box*) for the purposes of the related preferential taxation. The agreement is effective for the 2019 to 2023 tax years and in June 2024 the Company sent the additional declarations necessary to benefit from the tax benefit, in which the total amount is Euro 2,942 thousand.

8.11 Net profit per share

The table below reports net profit per share calculated as the ratio between net profit and the weighted average number of ordinary shares in circulation in the period, excluding treasury shares.

	Half-year ended 30 June	
	2024	**2023**
Group's share of net profit (in thousands of Euro)	19,016	7,331
Weighted average number of shares in circulation	174,755,425	174,662,169
Profit per share (in Euro)	**0.11**	**0.04**

Diluted earnings per share at 30 June 2024 was positive at 0.11 (positive at Euro 0.04 at 30 June 2023) calculated by dividing the result attributable to the shareholders of GVS SpA by the weighted average number of shares in circulation, adjusted to take into account the effects of all potential ordinary shares with dilutive effect. As potential ordinary shares with dilutive effect, those linked to the performance shares plan have been considered.

9. Non-recurring revenues and operating costs

It should also be noted that, in compliance with the provisions of CONSOB Resolution 15519 of 27 July 2006 and CONSOB Communication No. DEM/6064293 of 28 July 2006, the consolidated income statement has been attached, with a separate indication of the amount of costs and revenues arising from non-recurring transactions.

Non-recurrent proceeds and charges in the period ending 30 June 2024 represent: *(i)* income resulting from the partial release of the provision for risks set aside in previous years for a specific dispute arising before the acquisition relating to Haemotronic SpA (Euro 1,137 thousand); *(ii)* costs relating to Group personnel following the ongoing reorganisation process (totalling Euro 631 thousand), *(iii)* consultancy costs relating to services received on an exceptional basis (Euro 250 thousand); *(iv)* a cost relating to the downsizing of the indemnity to be obtained from the seller of Haemotronic SpA, for a specific dispute, for which the specific provision for risks was released for the same amount (Euro 1,137 thousand); *(v)* costs allocated to the reorganisation fund (Euro 95 thousand); *(vi)* amortisation of intangible and tangible assets recognised following the purchase price allocation of the Kuss, RPB, Haemotronic and STT groups (Euro 8,034 thousand) and finally *(vii)* interest recognised following the discounting of payables for earn out for acquisitions of the STT and Haemotronic groups (Euro 2,810 thousand), net of the related tax effect. Non-recurring charges for taxes also include Euro 2,942 thousand relating to the revenues pertaining to the tax benefit of the *Patent Box* held by the parent company GVS SpA.

Non-recurrent proceeds and charges in the period ending 30 June 2023 represent: *(i)* grants obtained from the Chinese government for the relocation of the Suzhou production site (Euro 319 thousand); *(ii)* costs relating to Group personnel following the reorganisation process in progress (totalling Euro 649 thousand); *(iii)* consultancy costs relating to services received of an exceptional nature (Euro 268 thousand), *(iv)* costs allocated to the provision for the relocation and rationalisation of the Group's production sites (totalling Euro 650 thousand); *(v)* costs allocated to the provision for indirect taxes and related penalties for Euro 207 thousand; *(vi)* depreciation of intangible and tangible assets recorded following the purchase price allocation of the Kuss, RPB, STT and Haemotronic groups (for a total of Euro 8,048 thousand); *(vii)* to write-downs of tangible fixed assets resulting from the relocation and rationalisation plan of the Group's production sites for Euro 531 thousand; and finally *(viii)* to the interest recorded following the discounting of payables for earn out for the acquisitions of the STT and Haemotronic groups (Euro 1,784 thousand), net of the related tax effect. Non-recurring charges for taxes also include Euro 416 thousand relating to the costs pertaining of the tax dispute with the Rumanian subsidiary for direct taxes.

10. Hyperinflation

On the basis of the provisions of EU-IFRS regarding the entry and exit criteria for inflation accounting, the Argentinian subsidiary GVS Argentina S.A. adopted inflation accounting beginning in the year ending 31 December 2018 and starting from 2022 the subsidiary based in Turkey is operating in a situation of high inflation. Also, in consideration of the immateriality of the subsidiaries' contribution compared to the Group's balances, the effects of inflation accounting on the income statement for the half-year ended 30 June 2024 were not significant.

11. Transactions with related parties

Transactions with related parties identified on the basis of the criteria set forth in IAS 24 are primarily of a commercial and financial nature, and are conducted under regular market conditions.

The tables below provide details of economic and capital relations with related parties. The companies indicated have been identified as related parties because they are directly or indirectly linked to the Group’s reference shareholders.

It should also be noted that, in compliance with the provisions of CONSOB Resolution 15519 of 27 July 2006 and CONSOB Communication No. DEM/6064293 of 28 July 2006, the consolidated income statement, the consolidated balance sheet and the consolidated statement of cash flows are attached, with separate indication of transactions with related parties and an indication of their percentage weight on individual balances.

The table below sums up the Group's payables and receivables in relation to related parties at 31 December 2024 and 30 June 2023.

(in thousands of Euro)	Parent company	Companies subject to parent company's control	Top management	Total	Total item in the financial statement	Impact on the financial statement
	GVS Group and parent company	GVS Real Estate S.r.l. and subsidiaries				
Right of use assets						
As at 30 June 2024	-	3,298	-	**3,298**	**21,466**	**15.4%**
As at 31 December 2023	-	3,005	-	**3,005**	**20,207**	**14.9%**
Tangible Fixed Assets						
As at 30 June 2024	-	-	8	**8**	**128,974**	**0.0%**
As at 31 December 2023	-	-	10	**10**	**122,884**	**0.0%**
Trade receivables						
As at 30 June 2024	30	136	-	**166**	**59,429**	**0.3%**
As at 31 December 2023	20	41	31	**92**	**54,114**	**0.2%**
Current tax receivables						
As at 30 June 2024	10,744	-	-	**10,744**	**14,387**	**74.7%**
As at 31 December 2023	4,382	-	-	**4,382**	**7,486**	**58.5%**
Non-current financial liabilities						
As at 30 June 2024	75,000			**75,000**	**304,037**	**24.7%**
As at 31 December 2023	75,000			**75,000**	**351,337**	**21.3%**
Non-current leasing liabilities						
As at 30 June 2024	-	1,748	-	**1,748**	**13,586**	**12.9%**
As at 31 December 2023	-	1,430	-	**1,430**	**13,164**	**10.9%**
Provisions for non-current employee benefits						
As at 30 June 2024	-	-	145	**145**	**3,221**	**4.5%**
As at 31 December 2023	-	-	83	**83**	**3,120**	**2.6%**
Current financial liabilities						
As at 30 June 2024	2,586			**2,586**	**105,198**	**2.5%**
As at 31 December 2023	1,531			**1,531**	**107,729**	**1.4%**
Current leasing liabilities						
As at 30 June 2024	-	1,766	-	**1,766**	**7,234**	**24.4%**
As at 31 December 2023	-	1,475	-	**1,475**	**7,384**	**20.0%**
Current tax payables						
As at 30 June 2024	5,533			**5,533**	**9,383**	**59.0%**
As at 31 December 2023	3,660			**3,660**	**8,130**	**45.0%**
Other current payables and liabilities						
As at 30 June 2024	-	-	3,081	**3,081**	**28,322**	**10.9%**
As at 31 December 2023	-	-	3,396	**3,396**	**26,305**	**12.9%**

The table below lists the Group's economic relations with related parties for the half-years ending 30 June 2024 and 30 June 2023.

(in thousands of Euro)	Parent company	Companies subject to parent company's control	Top Management	Total	Total item in the financial statement	Impact on the financial statement
	GVS Group and parent company	GVS Real Estate S.r.l. and subsidiaries				
Other operating income						
Half-year ended 30 June 2024	25	115	-	**140**	**3,901**	**3.6%**
Half-year ended 30 June 2023	10	21	22	**52**	**2,595**	**2.0%**
Personnel costs						
Half-year ended 30 June 2024	-	-	3,113	**3,113**	**69,808**	**4.5%**
Half-year ended 30 June 2023	-	-	1,941	**1,941**	**67,213**	**2.9%**

Service costs						
Half-year ended 30 June 2024	-	-	1,388	**1,388**	**29,692**	**4.7%**
Half-year ended 30 June 2023	-	-	1,210	**1,210**	**28,710**	**4.2%**
Amortisation, depreciation and write-downs						
Half-year ended 30 June 2024	-	1,286	2	**1,288**	**21,874**	**5.9%**
Half-year ended 30 June 2023	-	982	2	**984**	**21,403**	**4.6%**
Financial costs						
Half-year ended 30 June 2024	1,055	41	-	**1,096**	**12,508**	**8.8%**
Half-year ended 30 June 2023	586	58	-	**644**	**15,017**	**4.3%**

Transactions with the GVS Group

The Company and its subsidiary Haemotronic SpA participate in the optional national tax consolidation system under GVS Group. Current tax receivables or payables recorded on the balance sheet at 30 June 2024 and 31 December 2023 refer mostly to this case.

Transactions with GVS Real Estate

GVS stipulated a leasing agreement with GVS Real Estate, expiring on 28 February 2027, for two production facilities, one of which includes the Company's registered offices in Zola Predosa (BO). On 11 December 2019, the company GVS Sud S.r.l., merged by incorporation into GVS, signed an agreement with GVS Real Estate S.r.l. for the sale of land and buildings pertaining to a production facility in Avellino and thereafter entered into the lease agreement. In addition, in January 2024 GVS signed a lease agreement for warehouse properties located at Via Roma 48, Zola Predosa (BO). On the basis of these lease contracts, at 30 June 2024, the Group recorded assets represented by usage rights and relative leasing liabilities for Euro 2,072 thousand and Euro 2,088 thousand respectively (Euro 1,160 thousand and Euro 1,110 thousand at 31 December 2023), as well as depreciation and financial costs, for the half-year ended 30 June 2024, for Euro 525 thousand and Euro 17 thousand respectively.

Transactions with GVS Real Estate US

On 30 June 2024, the Group company GVS Filtration Inc has in effect two rental agreements with GVS Real Estate US for land and buildings pertaining to two production facilities in Ohio and Wisconsin. The leasing agreements for the real estate properties sold as described above resulted in entry as at 30 June 2024 of assets represented by usage rights amounting to Euro 372 thousand and Euro 376 thousand respectively (Euro 594 thousand and the corresponding leasing liabilities amounting to Euro 545 thousand at 31 December 2023), as well as amortisation, depreciation and write-downs and financial costs in the half-year ending 30 June 2024 amounting to Euro 189 thousand and Euro 4 thousand respectively.

Transactions with GVS Real Estate Mexico

In July 2021, the company of the GVS Filter Technology de Mexico Group signed a lease agreement with GVS Real Estate Mexico, relating to the production site in the city of Apocada. Such leasing agreement involved entry, as at 30 June 2024, of assets represented by usage rights and leasing liabilities of Euro 51 thousand and Euro 120 thousand (Euro 376 thousand and Euro 300 thousand at 31 December 2023), and of amortisation, depreciation and write-downs and financial costs for the period ending 30 June 2024 of Euro 323 thousand and Euro 5 thousand, respectively.

Transactions with GVS Patrimonio Immobiliare

The company of the GVS Microfiltrazione Group has in force a lease agreement with the company GVS Patrimonio Immobiliare of the property attributable to the production site located in Ciorani. Such leasing agreement involved entry, as at 30 June 2024, of assets represented by usage rights and leasing liabilities of Euro 719 thousand and Euro 796 thousand (Euro 755 thousand and Euro 733 thousand at 31 December 2023), and of amortisation, depreciation and write-downs and financial costs for the period ending 30 June 2024 of Euro 143 thousand and Euro 4 thousand, respectively.

Transactions with GVS Real Estate do Brasil

In December 2021, the company of the GVS Do Brasil group signed an agreement with GVS Real Estate Do Brasil for the sale of land and buildings pertaining to a production site in Monte Mor. At the same time as the sale, the parties signed one lease agreement under which GVS Real Estate Do Brasil leased the property sold back to the Group. The leasing agreement for the real estate property sold as described above resulted in entry as at 30 June 2024 of assets represented by usage rights and the corresponding leasing liabilities amounting to Euro 70 thousand and Euro 119 thousand respectively (Euro 120 thousand and Euro 217 thousand at 31 December 2023), as well as amortisation, depreciation and write-downs and financial costs in the period ending 30 June 2024 amounting to Euro 43 thousand and Euro 10 thousand respectively.

Transactions with Top Management

As at 30 June 2024 the following persons are considered members of the Group's Top Management:

- the chief executive officer;
- the chief financial officer;
- the chief operation officer;
- the managers of the *(i) Healthcare & Life Sciences*; *(ii) Health & Safety*; *(iii) Energy & Mobility*; (*iv*) *Blood*; *(v) Science & Development divisions,* the director of human resources, the marketing director and the *general counsel*;

The table below provides details of fees payable to members of Top Management in the half-years ending 30 June 2024 and 30 June 2023, including contributions.

(in thousands of Euro)	**Half-year ended 30 June**	
	2024	**2023**
Fees for office held	1,112	1,137
Bonuses and other incentives	1,599	682
Other fees	402	121
Directors' fees	1,388	1,210
Total	**4,501**	**3,151**

Please note that:

- other current payables and liabilities as at 30 June 2024 include payables to directors for fees not yet paid totalling Euro 1,059 thousand (Euro 997 thousand at 31 December 2023);
- provisions for employee benefits as at 30 June 2024 include the value of end of service indemnity for directors totalling Euro 145 thousand (Euro 83 thousand at 31 December 2023);
- costs for services for the half-year ended 30 June 2024 include directors' fees, expenses tied to the performance share plan and allocations to the provisions for end of service indemnity for a total amount of Euro 1,388 thousand (Euro 1,210 thousand for the half-year ended 30 June 2023).

12. Commitments and risks

Sureties and guarantees granted to third parties

At 30 June 2024, the Group had sureties and guarantees in place for a total amount of Euro 1,166 thousand.

Potential liabilities
Given that the Group operates internationally, it is exposed to legal risks primarily due to professional, corporate and tax liability. Disbursements relating to ongoing or future proceedings cannot be expected with certainty and it is possible that court outcomes may result in costs not covered or not fully covered by insurance claims having effects on the Group's financial situation and results. On the other hand, where it is likely to be due to an outlay of resources to meet obligations and this amount can be reliably estimated, the Group made specific allocations to the provision for risks and charges.

13. Directors' and auditors' fees

Emoluments for the 2024 half-year in question due to directors (including bonuses, charges related to the performance shares plan, provisions for severance indemnity and related contributions) and statutory auditors amounted to Euro 1,388 thousand and Euro 45 thousand, respectively.
The following table gives details of the remuneration for executive directors and non-executive directors for the first half of 2024 and 2023.

(in thousands of Euro)	**2024**	**2023**
Chairman of the Board of Directors	60	107
Executive Directors	1,218	983
Non-Executive Directors	110	120
Total cost	**1,388**	**1,210**

No loans or advances were granted to directors or shareholders during the period under examination.

14. Independent auditor's fees

The fees due to the independent auditors for the half-year ended 30 June 2024 amounted to Euro 224 thousand, of which Euro 211 thousand for auditing services and Euro 13 thousand for services other than auditing.

15. Research and development

The Group's R&D work aims to introduce new products and implement new production processes. These activities are divided into a number of different phases, from conception and start of the process of designing and new product process to large-scale industrial production.

The table below reports research and development costs entered among operating costs in the half-years ending 30 June 2024 and 30 June 2023.

(in thousands of Euro)	**Half-year ended 30 June**	
	2024	**2023**
Research and development costs	13,119	12,208
Capitalised development costs	(3,835)	(2,943)
Amortisation of capitalised development costs	1,791	1,390
Research and development costs entered as operating costs	**11,075**	**10,655**

16. Positions or transactions resulting from atypical and/or unusual transactions

Pursuant to CONSONB Communication No. 6064293 of 28 July 2006, it should be noted that during the first half of 2024 there were no atypical and/or unusual transactions with respect to the normal management of the company that could give rise to doubts regarding the correctness and completeness of the information in the financial statements, conflicts of interest, the safeguarding of the company's assets, or the protection of minority shareholders.

17. Events of significance following the close of the financial period

No significant events occurred after the end of the period.

18. Approval of the condensed interim consolidated financial statements and authorisation for publication

The condensed interim consolidated financial statements ending 30 June 2024 were approved on 10 September 2024 by the Board of Directors, which authorised their publication within the legal deadline.

ATTACHED TABLES

Consolidated statement of financial position, with indication of the amount of positions with related parties.

(in thousands of Euro)	As at 30 June 2024	of which with related parties	percentage	As at 31 December 2023	of which with related parties	percentage
ASSETS						
Non-current assets						
Intangible assets	473,333			471,701		
Right of use assets	21,466	3,298	15.4%	20,207	3,005	14.9%
Tangible assets	128,974	8	0.0%	122,884	10	0.0%
Deferred tax assets	1,176			2,852		
Non-current financial assets	3,133			3,531		
Non-current derivative financial instruments	4,049			4,829		
Other receivables and non-current assets	-			3,037		
Total non-current assets	**632,131**			**629,041**		
Current assets						
Inventories	87,614			84,808		
Trade receivables	59,429	166	0.3%	54,114	92	0.2%
Assets from contracts with customers	929			964		
Current tax receivables	14,387	10,744	74.7%	7,486	4,382	58.5%
Other receivables and current assets	13,003			12,753		
Current financial assets	78,641			2,484		
Cash and cash equivalents	59,203			191,473		
Total current assets	**313,206**			**354,082**		
TOTAL ASSETS	**945,337**			**983,123**		
SHAREHOLDERS' EQUITY AND LIABILITIES						
Share capital	1,750			1,750		
Reserves	336,620			319,054		
Net income	19,016			13,647		
Group net shareholders' equity	**357,386**			**334,451**		
Shareholders' equity attributable to non-controlling interests	23			27		
Total shareholders' equity	**357,409**			**334,478**		
Non-current liabilities						
Liabilities for the purchase of equity investments and earn out	7,905			24,677		
Non-current financial liabilities	304,037	75,000	24.7%	351,337	75,000	21.3%
Non-current leasing liabilities	13,586	1,748	12.9%	13,164	1,430	10.9%
Deferred tax liabilities	34,338			35,447		
Provisions for employee benefits	3,221	145	4.5%	3,120	83	2.6%
Provisions for risks and charges	5,656			8,529		
Total non-current liabilities	**368,743**			**436,274**		
Current liabilities						
Liabilities for the purchase of equity investments and earn out	19,026			18,342		
Current financial liabilities	105,198	2,586	2.5%	107,729	1,531	1.4%
Current leasing liabilities	7,234	1,766	24.4%	7,384	1,475	20.0%
Trade payables	44,587			38,452		
Liabilities from contracts with customers	5,435			6,029		
Current tax payables	9,383	5,533	59.0%	8,130	3,660	45.0%
Other current payables and liabilities	28,322	3,081	10.9%	26,305	3,396	12.9%
Total current liabilities	**219,185**			**212,370**		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**945,337**			**983,123**		

Consolidated income statement, with indication of the amount of positions with related parties.

(in thousands of Euro)	Period ending 30 June					
	2024	**of which with related parties**	**percentage**	**2023**	**of which with related parties**	**percentage**
Revenue from contracts with customers	214,822			213,372		
Other operating income	3,901	140	3.6%	2,595	52	2.0%
Total revenues	**218,723**			**215,967**		
Purchases and consumption of raw materials, semi-products and finished products	(64,435)			(70,285)		
Personnel costs	(69,808)	(3,113)	4.5%	(67,213)	(1,941)	2.9%
Service costs	(29,692)	(1,388)	4.7%	(28,710)	(1,210)	4.2%
Other operating costs	(3,721)			(4,139)		
EBITDA	**51,067**			**45,620**		
Net impairment losses on financial assets	(520)			(479)		
Amortisation, depreciation and write-downs	(21,874)	(1,288)	5.9%	(21,403)	(984)	4.6%
EBIT	**28,673**			**23,738**		
Financial income	5,026			1,244		
Financial costs	(12,508)	(1,096)	8.8%	(15,017)	(644)	4.3%
Pre-tax result	**21,191**			**9,965**		
Income tax	(2,171)			(2,629)		
Net income	**19,020**			**7,336**		
Group's share	19,016			7,331		
Minority share	4			5		

Consolidated statement of cash flows, with indication of the amount of positions with related parties.

	Period ending 30 June					
(in thousands of Euro)	2024	of which with related parties	percentage	2023	of which with related parties	percentage
Pre-tax result	21,191	(6,745)	-31.8%	9,965	(4,737)	-47.5%
- Adjustment for:						
Amortisation, depreciation and write-downs	21,874	1,288	5.9%	21,403	984	4.6%
Capital losses / (capital gains) from sale of assets	(59)			102		
Financial costs / (income)	7,482	1,096	14.6%	13,773	644	4.7%
Other non-monetary variations	3,885	62	1.6%	3,671	36	1.0%
Cash flow generated / (absorbed) by operations before variations in net working capital	***54,373***			***48,914***		
Variation in inventories	(2,541)			418		
Variation in trade receivables	(7,362)	(74)	1.0%	1,671	30	1.8%
Variation in trade payables	6,118			(10,698)	-	
Variation in other assets and liabilities	2,063	(314)	-15.2%	45	(358)	-790.3%
Use of provisions for risks and charges and for employee benefits	(1,344)			(1,432)		
Taxes paid	(7,199)	(1,547)	21.5%	(4,661)	(538)	11.5%
Net cash flow generated / (absorbed) by operations	**44,108**			**34,257**		
Investments in tangible assets	(15,075)			(9,524)		
Investments in intangible assets	(4,141)			(3,060)		
Disposal of tangible assets	200			304		
Investment in financial assets	(86,172)			(82,500)		
Disinvestment in financial assets	10,000			21,393		
Payment for purchase of business unit net of cash on hand acquired	(19,000)			(0)		
Net cash flow generated / (absorbed) by investment	**(114,189)**			**(73,387)**		
Opening of long-term financial liabilities	208			75,936	75,000	98.8%
Repayment of long-term financial liabilities	(50,557)			(27,293)		
Repayment of lease liabilities	(4,593)	(970)	21.1%	(3,278)	(1,404)	42.8%
Financial costs paid	(8,159)	(41)	0.5%	(8,782)	(58)	0.7%
Financial income collected	1,270			608		
Treasury shares	(154)			-		
Net cash flow generated/(absorbed) by financial assets	**(61,984)**			**37,192**		
Total variation in cash on hand	**(132,065)**			**(1,938)**		
Cash on hand at the start of the year	**191,473**			**135,169**		
Total variation in cash on hand	(132,065)			(1,938)		
Conversion differences on cash on hand	(204)			(824)		
Cash on hand at the end of the year	**59,203**			**132,406**		

Consolidated income statement, with indication of the amount deriving from non-recurring transactions.

(in thousands of Euro)	The 6-month period ended 30 June							
	2024	**of which non-recurring**	**2024 Adjusted**	**percentage**	**2023**	**of which non-recurring**	**2023 Adjusted**	**percentage**
Revenue from contracts with customers	214,822		214,822		213,372		213,372	
Other operating income	3,901	1,137	2,764	29.1%	2,595	319	2,276	12.3%
Total revenues	**218,723**	**1,137**	**217,586**		**215,967**	**319**	**215,648**	
Purchases and consumption of raw materials, semi-products and finished products	(64,435)		(64,435)		(70,285)		(70,285)	
Personnel costs	(69,808)	(631)	(69,177)	0.9%	(67,213)	(649)	(66,564)	1.0%
Service costs	(29,692)	(250)	(29,442)	0.8%	(28,710)	(268)	(28,442)	0.9%
Other operating costs	(3,721)	(1,232)	(2,489)	33.1%	(4,139)	(857)	(3,282)	20.7%
EBITDA	**51,067**	**(976)**	**52,043**		**45,620**	**(1,455)**	**47,075**	
Net impairment losses on financial assets	(520)		(520)		(479)		(479)	
Amortisation, depreciation and write-downs	(21,874)	(8,034)	(13,840)	36.7%	(21,403)	(8,579)	(12,824)	40.1%
EBIT	**28,673**	**(9,010)**	**37,683**		**23,738**	**(10,034)**	**33,772**	
Financial income	5,026		5,026		1,244		1,244	
Financial costs	(12,508)	(2,810)	(9,698)	22.5%	(15,017)	(1,784)	(13,233)	11.9%
Pre-tax result	**21,191**	**(11,820)**	**33,011**		**9,965**	**(11,818)**	**21,783**	
Income tax	(2,171)	6,044	(8,215)	-278.4%	(2,629)	2,654	(5,283)	-101.0%
Net income	**19,020**	**(5,776)**	**24,796**		**7,336**	**(9,164)**	**16,500**	

CERTIFICATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154 BIS OF LEGISLATIVE DECREE 58/98

1. The undersigned, Massimo Scagliarini, Chief Executive Officer and Emanuele Stanco, Manager responsible for the preparation of the accounting documents of GVS S.p.A., taking into account the provisions of Article 154-bis, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998, certify:

   - the adequacy in relation to the characteristics of the business, and
   - the effective application of the administrative and accounting procedures for the preparation of the condensed interim consolidated financial statements during the first half of 2024.

2. The assessment of the adequacy of the administrative and accounting procedures for the preparation of the condensed interim consolidated financial statements at 30 June 2024 was carried out on the basis of the standards and methodologies defined by GVS mainly in accordance with the Internal Control - Integrated Framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission, which represents a reference framework for the internal control system generally accepted at the international level.

3. In addition, they also certify that:

3.1 the condensed interim consolidated financial statements:
   - are prepared in compliance with the international accounting standards recognised by the European Community pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 as well as the provisions issued in implementation of Article 9 of Legislative Decree no. 38/2005;
   - correspond to the results in accounting books and records;
   - are suitable to provide a true and fair view of the statement of financial position, and the statement of profit and loss of the issuer and all the companies included in the consolidation.

3.2 the Interim Report on Operations includes a reliable analysis of references to important events that occurred in the first six months of the financial year and their impact on the condensed interim consolidated financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The interim report on operations also includes a reliable analysis of information on transactions with related parties.

Zola Predosa, 10 September 2024

Massimo Scagliarini
Chief Executive Officer

Emanuele Stanco
Manager responsible for the preparation
of the Company's accounting documents

AUDITING COMPANY REPORT

pwc

REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of
GVS SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of GVS SpA and subsidiaries (GVS Group) as of 30 June 2024, comprising the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related explanatory notes. The Directors of GVS SpA are responsible for the preparation of the consolidated condensed interim financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of GVS Group as of 30 June 2024 are not prepared, in all material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting as adopted by the European Union.

Bologna, 11 September 2024

PricewaterhouseCoopers SpA

signed by

Giuseppe Ermocida
(Partner)

This 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.