

Interim Report

as at 30 September 2024



**Servizi
Italia**

SERVIZI ITALIA S.P.A.
Via San Pietro, 59/B
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1 COMPANY OFFICERS AND CORPORATE INFORMATION

Board of Directors (in office until approval of the Separate Financial Statements as at 31 December 2026)

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

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

(*) Members of the Executive Committee

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

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

Supervisory Body (in office until approval of the Separate Financial Statements as at 31 December 2026)

Name and Surname	Position
Veronica Camellini	Chairwoman
Antonio Ciriello	Member
Elena Martelli	Member

Independent Auditors (in office until approval of the Separate Financial Statements as at 31 December 2032)

PriceWaterhouseCoopers S.p.A. - Piazza Tre Torri, 2 - 20145 Milan

Registered offices and company information

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

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

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

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

Founded: 1986

Listing segment: Euronext STAR Milan

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

LEI Code: 815600C8F6D5ACBA9F86

Investor Relations

Pietro Giliotti (IRM)

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2 GROUP STRUCTURE

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

As at 30 September 2024, the Servizi Italia Group included the following companies:

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

^(*) Held through SRI Empreendimentos e Participações Ltda

^(**) Held through Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi

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

Company name Associates and Jointly-Controlled Companies	Registered office	Share capital	Interest of equity investment
Shubhram Hospital Solutions Private Ltd.	New Delhi – India	INR 362,219,020	51%
Servizi Sanitari Integrati Marocco S.a.r.l.	Casablanca – Morocco	MAD 122,000	51%
SAS Sterilizasyon Servisleri A.Ş.	Istanbul – Turkey	TRY 59,133,000	51%
Arezzo Servizi S.c.r.l.	Arezzo – Italy	EUR 10,000	50%
PSIS S.r.l.	Padua – Italy	EUR 8,000,000	50%
Steril Piemonte S.r.l.	Turin – Italy	EUR 1,000,000	50%
AMG S.r.l.	Busca (Cuneo) – Italy	EUR 100,000	50%
Finanza & Progetti S.p.A.	Vicenza – Italy	EUR 550,000	50%
Iniziative Produttive Piemontesi S.r.l.	Turin – Italy	EUR 2,500,000	37.63%
Piemonte Servizi Sanitari S.c.r.l.	Turin – Italy	EUR 10,000	30% ^(*)
Saniservice Sh.p.k.	Tirana – Albania	LEK 2,745,600	30%
Brixia S.r.l.	Milan – Italy	EUR 10,000	23%
Tecnoconsulting S.r.l.	Scandicci (Florence) – Italy	EUR 10,000	33%

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

3 DIRECTORS' REPORT ON OPERATIONS

This Interim Report as at 30 September 2024 has been prepared in compliance with the International Accounting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Union, and must be read together with the information provided in the consolidated financial statements as at 31 December 2023. In order to allow for a better evaluation of the economic and financial performance, the following summary tables show some "Alternative performance indicators", not provided by the IFRS International Accounting Standards. The footnotes of said tables indicate the calculation method used and the composition of these ratios, in line with the guidelines of the European Securities and Markets Authority (ESMA).

Main consolidated income statement figures

The table below presents a comparison of the main consolidated income statement figures as at 30 September 2024 with the results as at 30 September 2023 (in thousands of Euros):

(thousands of Euros)	30 September 2024	30 September 2023	Change	Change %
Revenues	217,725	215,047	2,678	1.2%
EBITDA (a)	57,234	54,996	2,238	
EBITDA %	26.3%	25.6%		0.7%
Operating profit (EBIT)	14,885	12,494	2,391	
Operating profit (EBIT) %	6.8%	5.8%		1.0%
Net profit	5,111	5,768	(657)	
Net profit %	2.3%	2.7%		-0.3%

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

Main consolidated statement of financial position figures

The table below presents a comparison of the main consolidated statement of financial position figures as at 30 September 2024 with the figures as at 31 December 2023 (in thousands of Euros):

(thousands of Euros)	30 September 2024	31 December 2023	Change	Change %
Net operating working capital ^(a)	3,297	(3,246)	6,543	-201.6%
Other current assets/liabilities ^(b)	(10,741)	(11,194)	453	-4.0%
Net working capital	(7,444)	(14,440)	6,996	-48.4%
Non-current assets - medium/long-term provisions	272,765	269,683	3,082	1.1%
of which Rights of use under IFRS 16	27,428	28,246	(818)	-2.9%
Net invested capital	265,321	255,243	10,078	3.9%
Shareholders' equity (B)	140,811	138,543	2,268	1.6%
Net financial debt ^(d) (A)	124,510	116,700	7,810	6.7%
of which Financial liabilities under IFRS 16	30,180	31,370	(1,190)	-3.8%
Net invested capital^(c)	265,321	255,243	10,078	3.9%
Gearing [A/(A+B)]	46.9%	45.7%		
Debt/Equity (A/B)	88.4%	84.2%		

(a) Net operating working capital is not an accounting measurement under the IFRSs endorsed by the European Union. The Company management has defined net operating working capital as the algebraic sum of inventories, trade receivables and trade payables.

(b) Other current assets/liabilities are calculated as the difference between other current assets, current tax receivables, current tax payables, other current financial liabilities, other current liabilities and the current portion of the provision for risks and charges.

(c) The Company management has defined invested capital as the sum of Shareholders' equity and net financial debt.

(d) The management has defined net financial debt as the sum of amounts Due to banks and other lenders net of Cash and cash equivalents and Current financial receivables.

Company information and business performance

During the first nine months of 2024, consolidated revenues of the Servizi Italia Group amounted to Euro 217,725 thousand, an increase of 1.2% (3.0% at constant exchange rates) compared to the same period of 2023.

Please note the following as regards revenue from sales and services by sector for 30 September 2024 compared to 30 September 2023:

- Revenues from wash-hire services (which in absolute terms represent 74.9% of the Group's revenues) rose from Euro 162,633 thousand in the first nine months of 2023 to Euro 163,007 thousand in the same period of 2024, recording an increase of 0.2% (or 2.5% at constant exchange rates), supported by a rapid recovery deriving from the price adjustment in the Turkey area (+37.7%, or +81.4% at constant exchange rates). The Italy area (-0.2% versus the comparison period) recorded a decrease due to certain customers lost in the Marche area, offset by excellent performance by the other Italian areas in which the Group operates.
- Revenues from linen sterilisation services (Steril B) (which in absolute terms represent 6.5% of the Group's revenues) went from Euro 13,761 thousand in the first nine months of 2023 to Euro 14,179 thousand with an increase of 3.0%. The increase is mainly due to the release of the excess portion of the medical devices payback fund for Euro 833 thousand, which has a one-off effect and consequent to the rulings of the Constitutional Court no. 139/24 and 140/24. Net of this effect, there would be a negative change of Euro 415 thousand or -3.0% mainly due to contracts concluded in the Veneto area in the second half of 2023.
- Revenues from surgical instrument sterilisation services (Steril C) (which in absolute terms represent 18.6% of the Group's revenues) rose from Euro 38,653 thousand in 2023 to Euro 40,539 thousand in 2024, with an increase of 4.9%, equal to Euro 1,886 thousand mainly due to more surgical activities recorded in the period in the Italy area.

Consolidated **EBITDA** went from Euro 54,996 thousand in the first nine months of 2023 to Euro 57,234 in the same period of 2024, with an EBITDA margin growing by 70 bps, from 25.6% to 26.3% of revenues or an increase in absolute value of 4.1%. During the period, there was a decrease in the impact of costs for raw materials of 0.4%, and in absolute value of 3.1%, driven primarily by lower marketing of disposable material and personal protective equipment. Costs for services recorded a 3.2% decrease in absolute value during the period, i.e. an improvement in the EBITDA margin of 1.5%, primarily due to the decrease with respect to the comparison period of gas costs (Euro -2,878 thousand or -1.4% relative incidence) and electricity (Euro -879 thousand or -0.4% relative incidence). Also note that the comparison period included the benefit of the tax receivable in the Italy area of Euro 1,953 thousand, recorded under other revenues and absent during the same period of 2024. Personnel expense increased in terms of incidence on revenues (+0.7%) compared to the previous period and were also up in absolute value (+3.6%), predominantly as a result of salary adjustments applied in the Italy area upon entry into force of the new National Collective Labour Agreement starting from March and December 2023 as well as June 2024. During the period, operating margins decreased in the Brazil area (EBITDA margin falling from 23.7% to 20.6%), partly due to the start-up phase of the sterilisation plant in São Paulo and to a drop in revenues recorded versus the comparison period, while there was a significant recovery in margins in the Turkey area (EBITDA margin from 26.5% to 36.0%) mainly due to the inflationary adjustment of contract prices.

The consolidated operating result (**EBIT**) went from Euro 12,494 thousand during the first nine months of 2023 (5.8% compared to the revenues for the period) to Euro 14,885 thousand during the same period in 2024 (6.8% compared to the revenues for the period), mainly due to the dynamics already described in the comment on the change in revenues and EBITDA; a reduction in depreciation, amortisation and impairment was also recorded (Euro -153 thousand or -0.3% in terms of relative incidence).

Financial management showed greater interest expense and bank commissions of Euro 1,924 thousand compared to the same period of the previous year, due to the increase in interest rates applied by the interbank system in the Eurozone and interest rates in the Turkey area.

Taxes for the period were negative for Euro 1,713 thousand with an incidence on pre-tax profit of 25.1% and mainly concern current tax payables for the period, while in the comparison period negative taxes of Euro 529 thousand were recorded with an incidence on pre-tax profit of 8.4%.

Therefore, the consolidated interim financial statements as at 30 September 2024 closed with a **net profit** of Euro 5,111 thousand compared to the net profit of Euro 5,768 thousand for the same period of 2023.

Significant events and transactions

On 27 March 2024, the Board of Directors of Servizi Italia approved the merger by incorporation of the wholly-owned subsidiary Ekolav S.r.l., operating on the Italian market in the linen wash-hire sector for healthcare and social welfare facilities. This merger is part of a corporate simplification and reorganisation process launched by the merging entity with the aim of pursuing greater production synergies – in consideration of commercial prospects and with a view to harmonising and optimising customer service – as well as containment of overheads. The merger deed was signed on 10 June 2024 and took effect with respect to third parties on the legal effective date of 1 July 2024.

On 22 April 2024, the ordinary session of the Shareholders' Meeting:

- approved the financial statements of the Parent Company closed as at 31 December 2023;
- approved the distribution to Shareholders of an ordinary single dividend, gross of the legal withholdings, equal to Euro 0.03 for the shares in circulation, with the exclusion of the treasury shares in the portfolio, for a maximum amount of Euro 954,283.53;
- resolved the authorisation to purchase and dispose of treasury shares, as proposed by the Board of Directors. The resolution authorised the purchase of a maximum of 6,361,890 ordinary shares with nominal value of Euro 1.00 each, corresponding to one-fifth of the Company's share capital (taking into account the shares already held by the Company) for a period of 18 months from the meeting date, while the duration of the authorisation for disposal of the treasury shares has no time limits;
- approved the remuneration policy of Servizi Italia S.p.A.;
- appointed the independent auditors PriceWaterhouseCoopers S.p.A. for the statutory audit of the accounts for the nine-year period 2024-2032, approving the related resolution proposal formulated by the Board of Directors, which matches the first preference contained in the reasoned Recommendation of the Board of Statutory Auditors;
- resolved the renewal of the Board of Directors for the three-year period 2024-2026, also determining the relative remuneration. All the members of the Board of Directors, with the

exception of Director Antonio Aristide Mastrangelo, were taken from the list submitted by the majority Shareholder Aurum S.p.A., holder of a stake of approximately 62.42% of the share capital, which received votes in favour of approximately 91.88% of the shares represented at the Shareholders' Meeting; Director Antonio Aristide Mastrangelo was taken from the list submitted by the minority Shareholder Everest S.r.l., holder of a 5.03% stake of the share capital.

On 22 April 2024, the Board of Directors of Servizi Italia S.p.A. assigned management powers to an Executive Committee, composed of Roberto Olivi (Chairman of the Board of Directors and of the Executive Committee), Ilaria Eugeniani (Director, appointed Deputy Chair of the Board of Directors and of the Executive Committee) and Michele Magagna (Director), assisted by the General Manager Andrea Gozzi. Subsequently, it established the Governance and Related Parties Committee, responsible for remuneration, appointments, control and risks and transactions with related parties, composed of Benedetta Pinna as Chair (Independent Director), Roberta Labanti (Independent Director) and Umberto Zuliani (Non-executive Director). Lastly, the Board appointed Director Benedetta Pinna as Lead Independent Director and the Chair Roberto Olivi as Director in charge of the Internal Control and Risk Management System.

On 15 May 2024, with reference to the preliminary contract relating to the purchase by Servizi Italia S.p.A. of a business unit assigned to the decontamination and sterilisation services of Steris S.p.A., for which appropriate disclosure was provided on 10 October 2023, Servizi Italia S.p.A. availed itself of the contractually agreed right of withdrawal as a result of the loss of interest in carrying out the transaction. The right of withdrawal does not entail any indemnity or repayment by Servizi Italia S.p.A. in favour of Steris S.p.A.

On 4 July 2024, by exercising its call option, Servizi Italia acquired the remaining 10.0% of the share capital of Wash Service S.r.l., company operating mainly in Northern Italy in the offer of wash and hire services of flat linen, guest linen and staff clothing of hospital facilities, nursing homes and retirement facilities, thus achieving ownership of the entire share capital of the company. The consideration for 10.0% of the share capital of Wash Service S.r.l. was equal to Euro 391 thousand. For additional information, see the appropriate press release.

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

Customer	Service provided	Duration years	Contract value per year (thousands of Euros)
Comprehensive community Oltradige Bassa Atesina*	Wash-hire service for nursing homes	2	80
Municipality of Florence*	Integrated linen wash-hire service	27 months	169
Azienda Regionale per l'Innovazione e gli Acquisti della Lombardia - Lot 1*	Integrated linen wash-hire service	5	7,248
Azienda Regionale per l'Innovazione e gli Acquisti della Lombardia - Lot 2*	Integrated linen wash-hire service	5	6,936
Azienda Regionale per l'Innovazione e gli Acquisti della Lombardia - Lot 3*	Integrated linen wash-hire service	5	6,145

Azienda Regionale per l'Innovazione e gli Acquisti della Lombardia - Lot 4*	Integrated linen wash-hire service	5	6,067
ASST Spedali Civili di Brescia*	Surgical instruments sterilisation and central service management	8	2,113
AO San Camillo Forlanini of Rome*	Supply of operating theatre devices and Non-Woven Fabric	1	1,543
Brigata Paracadutisti "Folgore" Direzione di Intendenza - Livorno**	Linen wash service	4	63
IRCCS Burlo Garofolo di Trieste*	Surgical instruments sterilisation and maintenance service	10 months	367
Azienda Usl (Local Health Authority) of Bologna*	Integrated linen wash-hire service	6	1,303
Consorzio Le Valli and the Municipality of San Bonifacio (Verona)**	Integrated linen wash-hire service	3	112
ASST Valle Olona di Busto Arsizio*	Surgical instruments sterilisation and maintenance service	1	889
INAIL Rome and Volterra*	Integrated linen wash-hire service	4	94

* renewed

** new customer

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

Customer	Service provided	Contract value per year (thousands of Euros)
GESAT Scarl - Pistoia Hospital	Wash-hire	1,003
Marche Contracts - Jesi/Senigallia (former ASUR Marche Hospital units of Jesi and Senigallia)	Wash-hire	2,025
Marche Contracts - Fano Territory (former ASUR Marche Area Vasta 1)	Wash-hire	322
Marche Contracts - Fano (former Santa Croce Hospital in Fano)	Wash-hire	915
ARNAS Civico Di Cristina Benfratelli of Palermo	Central sterilisation management service	1,500

Significant events after the end of the third quarter

On 7 October 2024, the company Cometa S.r.l., as an offeror, promoted a voluntary, all-inclusive tender offer on the ordinary shares of Servizi Italia S.p.A. pursuant to Art. 102(1) of Legislative Decree no. 58 of 24 February 1998. The offer is aimed at the acquisition of 9,268,956 shares representing approximately 29.14% of the share capital of the issuer, which may be reduced as a result of any purchases of shares made by the offeror outside the offer, and at obtaining the delisting of the shares from trading on Euronext Milan. The offeror will pay a cash consideration of Euro 2.37 for each share brought in subscription to the offer. For all the details relating to the offer and the resulting disclosures, please refer to the dedicated website within the issuer's website in the Investor Relations section.

Business outlook

The results obtained by the Group as at 30 September 2024 confirm the solidity of the performance achieved during the first nine months. As envisaged, the most interesting factor in the short term for the management of the Group remains the cost of money and the dynamics connected to the interest rates applied by the interbank system, a structural problem that is carefully monitored in order to adopt measures aimed at curbing the inevitable incidence on the fundamental levers of the Group business. The management's medium-term strategy, albeit amidst the uncertainty of a situation deriving from the instability of energy and raw material costs, envisages an organic consolidation of

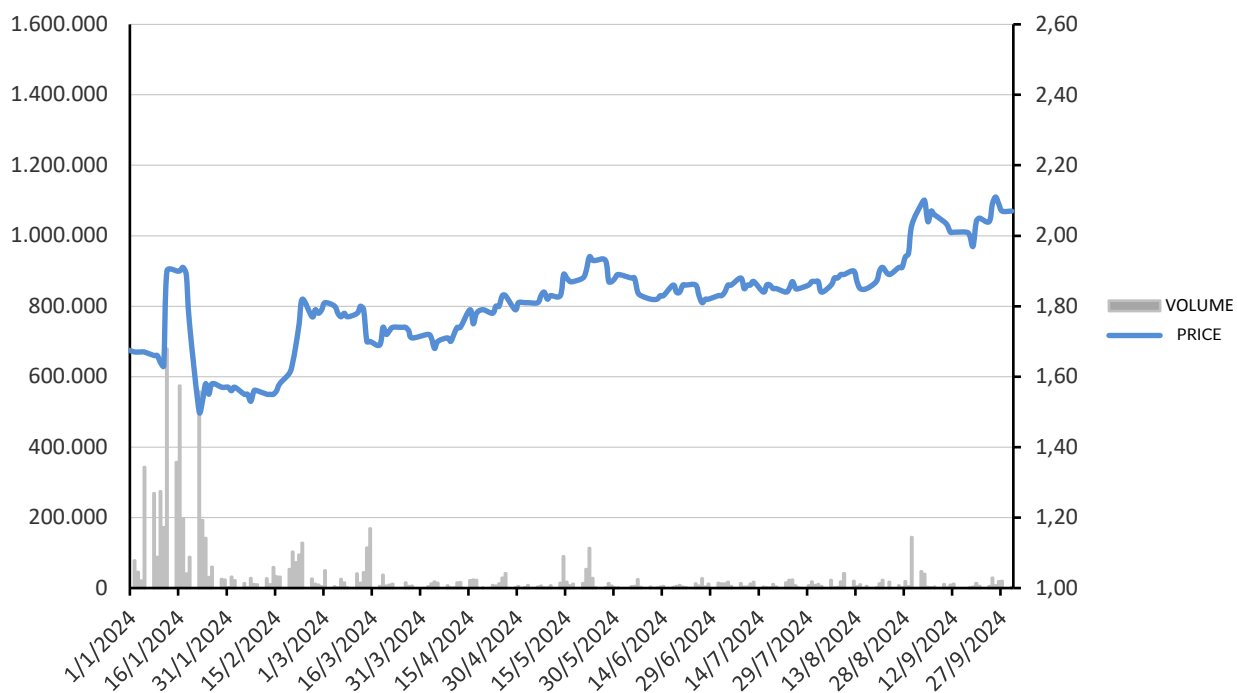
its leadership position in the Italian and foreign markets and a continuous search for optimisation and efficiencies.

Servizi Italia and the financial markets

Since 22 June 2009, the Company's stock has been traded on the Euronext STAR Milan segment of Euronext Milan (EXM). The main share and stock exchange data as at 30 September 2024 are disclosed below along with share volume and price trends:

Share and stock exchange data	30 September 2024
No. of shares making up the share capital	31,809,451
Price at IPO: 4 April 2007	8.50
Price as at 30 September 2024	2.07
Maximum price during the period	2.11
Minimum price during the period	1.50
Average price during the period	1.81
Volumes traded during the period	7,263,562
Average volumes during the period	39,051

Share volumes and price as at 30 September 2024



During the reference period, on 22 May 2024 the investor relations team participated to the "TP ICAP Midcap Conference 2024" in Paris and remained available for individual and group calls with anyone interested in obtaining information and expanding their activities and business.

In addition to the research study by specialist Intermonte SIM, the Group also appointed Tp Icap Midcap Partners (Appointed rep by Louis Capital Markets UK, LLP).

Other information

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

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

The Chairman of the Board of Directors

(Roberto Olivi)

4 ACCOUNTING SCHEDULES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(thousands of Euros)</i>	30 September 2024	31 December 2023
ASSETS		
Non-current assets		
Property, plant and equipment	169,656	166,473
Intangible assets	2,802	3,057
Goodwill	60,257	61,438
Equity-accounted investments	35,471	33,023
Equity investments in other companies	2,938	2,938
Financial receivables	7,330	6,037
Deferred tax assets	11,917	12,467
Other assets	1,824	2,531
Total non-current assets	292,195	287,964
Current assets		
Inventories	9,202	9,244
Trade receivables	74,831	75,141
Current tax receivables	2,298	2,018
Financial receivables	5,594	8,156
Other assets	10,229	11,753
Cash and cash equivalents	4,055	4,731
Total current assets	106,209	111,043
TOTAL ASSETS	398,404	399,007
SHAREHOLDERS' EQUITY AND LIABILITIES		
Group shareholders' equity		
Share capital	29,126	29,302
Other reserves and retained earnings	103,168	100,801
Profit (loss) for the period	4,806	5,463
Total shareholders' equity attributable to shareholders of the parent company	137,100	135,566
Total shareholders' equity attributable to non-controlling interests	3,711	2,977
TOTAL SHAREHOLDERS' EQUITY	140,811	138,543
LIABILITIES		
Non-current liabilities		
Due to banks and other lenders	68,482	66,385
Deferred tax liabilities	3,310	2,933
Employee benefits	7,526	7,389
Provisions for risks and charges	8,122	7,494
Other financial liabilities	472	465
Total non-current liabilities	87,912	84,666
Current liabilities		
Due to banks and other lenders	65,677	63,202
Trade payables	80,736	87,631
Current tax payables	712	626
Employee benefits	-	-
Other financial liabilities	12	416
Provisions for risks and charges	833	1,783
Other payables	21,711	22,140
Total current liabilities	169,681	175,798
TOTAL LIABILITIES	257,593	260,464
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	398,404	399,007

CONSOLIDATED INCOME STATEMENT

<i>(thousands of Euros)</i>	30 September 2024	30 September 2023
Sales revenues	217,725	215,047
Other income	4,433	5,790
Raw materials and consumables	(19,957)	(20,604)
Costs for services	(71,965)	(74,314)
Personnel expense	(71,746)	(69,254)
Other costs	(1,256)	(1,669)
Depreciation/amortisation, impairment and provisions	(42,349)	(42,502)
Operating profit	14,885	12,494
Financial income	1,064	886
Financial expenses	(10,612)	(9,265)
Income/(expense) from equity investments	178	358
Revaluation/impairment of equity-accounted investments	1,309	1,824
Profit before tax	6,824	6,297
Current and deferred taxes	(1,713)	(529)
Profit (loss) for the period	5,111	5,768
of which: Portion attributable to shareholders of the parent company	4,806	5,607
Portion attributable to non-controlling interests	305	161

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(thousands of Euros)</i>	30 September 2024	30 September 2023
Profit (loss) for the period	5,111	5,768
<i>Other comprehensive income that will not be reclassified to the Income Statement</i>		
Actuarial gains (losses) on defined benefit plans	-	-
Income taxes on other comprehensive income	-	-
<i>Other comprehensive income that may be reclassified to the Income Statement</i>		
Gains (losses) from conversion of foreign financial statements	(5,315)	(1,121)
Portion of comprehensive income of the investments measured using the equity method	(161)	65
Income taxes on other comprehensive income	-	-
Total other comprehensive income after taxes	(5,476)	(1,056)
Total comprehensive income for the period	(365)	4,712
of which: Portion attributable to shareholders of the parent company	(276)	5,403
Portion attributable to non-controlling interests	(89)	(691)

CONSOLIDATED NET FINANCIAL POSITION

<i>(thousands of Euros)</i>	30 September 2024	31 December 2023	30 September 2023
Cash and cash equivalents in hand	45	59	29
Cash at bank	4,010	4,672	4,136
Cash and cash equivalents	4,055	4,731	4,165
Current financial receivables	5,594	8,156	8,984
Current due to banks and other lenders	(65,677)	(63,202)	(71,737)
<i>of which Financial liabilities under IFRS 16</i>	(3,921)	(3,852)	(3,779)
Current net financial debt	(60,083)	(55,046)	(62,753)
Non-current due to banks and other lenders	(68,482)	(66,385)	(63,531)
<i>of which Financial liabilities under IFRS 16</i>	(26,259)	(27,518)	(27,075)
Non-current net financial debt	(68,482)	(66,385)	(63,531)
Net financial debt	(124,510)	(116,700)	(122,119)

5 NOTES

5.1 Introduction

The Interim Report as at 30 September 2024 has been prepared in compliance with Art. 154-ter of the Consolidated Law on Finance.

The accounting principles and criteria adopted to prepare this Interim Report as at 30 September 2024, which has not been audited, are the same as those used to prepare the annual financial statements as at 31 December 2023, which should be referred to for the relevant description. The consolidated subsidiaries are San Martino 2000 S.c.r.l., Steritek S.p.A., Wash Service S.r.l., SRI Empreendimentos e Participações Ltda (parent company of the companies: Lavsim Higienização Têxtil S.A., Maxlav Lavanderia Especializada S.A., Vida Lavanderias Especializada S.A., Aqualav Serviços De Higienização Ltda) and Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Anonim Şirketi (parent company of the companies: Ergülteks Temizlik Tekstil Ltd. Sti. and Ankateks Tur. Teks. Tem.Sanve TIC. A.s. – Olimpos Laundry Teks.Tem. Hizm. Ve Tur. San. Tic. LTD.Sti IS Ortakligi).

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

This Interim Report is approved by the Board of Directors on 7 November 2024.

5.2 Performance by business segment and geographical area

The revenue from sales and services of Servizi Italia Group is shown below divided by business line for the periods ending 30 September 2024 and 30 September 2023.

(thousands of Euros)	30 September 2024	%	30 September 2023	%	% change	% organic change	% exchange rate change
Wash-hire	163,007	74.9%	162,633	75.6%	0.2%	2.5%	-2.3%
Linen sterilisation (Steril B)	14,179	6.5%	13,761	6.4%	3.0%	3.0%	0.0%
Surgical instrument sterilisation (Steril C)	40,539	18.6%	38,653	18.0%	4.9%	4.9%	0.0%
Sales revenues	217,725	100.0%	215,047	100.0%	1.2%	3.0%	-1.7%

- Revenues from wash-hire services (which in absolute terms represent 74.9% of the Group's revenues) rose from Euro 162,633 thousand in the first nine months of 2023 to Euro 163,007 thousand in the same period of 2024, recording an increase of 0.2% (or 2.5% at constant exchange rates), supported by a rapid recovery deriving from the price adjustment in the Turkey area (+37.7%, or +81.4% at constant exchange rates). The Italy area (-0.2% versus the comparison period) recorded a decrease due to certain customers lost in the Marche area, offset by excellent performance by the other Italian areas in which the Group operates.
- Revenues from linen sterilisation services (Steril B) (which in absolute terms represent 6.5% of the Group's revenues) went from Euro 13,761 thousand in the first nine months of 2023 to Euro 14,179 thousand with an increase of 3.0%. The increase is mainly due to the release of the excess portion of the medical devices payback fund for Euro 833 thousand, which has a one-off effect and consequent to the rulings of the Constitutional Court no. 139/24 and 140/24. Net of this

effect, there would be a negative change of Euro 415 thousand or -3.0% mainly due to contracts concluded in the Veneto area in the second half of 2023.

- Revenues from surgical instrument sterilisation services (Steril C) (which in absolute terms represent 18.6% of the Group's revenues) rose from Euro 38,653 thousand in 2023 to Euro 40,539 thousand in 2024, with an increase of 4.9%, equal to Euro 1,886 thousand mainly due to more surgical activities recorded in the period in the Italy area.

The revenue from sales and services of Servizi Italia Group is shown below divided by geographical area for the periods ending 30 September 2024 and 30 September 2023.

(thousands of Euros)	30 September 2024	%	30 September 2023	%	% change	% organic change	% exchange rate change
Italy	187,234	86.0%	185,180	86.1%	1.1%	1.1%	0.0%
Brazil	22,438	10.3%	24,020	11.2%	-6.6%	-1.9%	-4.7%
Turkey	8,053	3.7%	5,847	2.7%	37.7%	81.4%	-43.7%
Sales revenues	217,725	100.0%	215,047	100.0%	1.2%	3.0%	-1.7%

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

Property, plant and equipment

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

(thousands of Euros)	Land and buildings	Plant and machinery	Returnable assets	Equipment	Other assets	Assets under construction	Total
Historical cost	45,311	164,047	36,177	73,287	175,886	11,984	506,692
Accumulated depreciation	(16,616)	(121,511)	(29,002)	(61,645)	(111,445)	-	(340,219)
Balance as at 1 January 2024	28,695	42,536	7,175	11,642	64,441	11,984	166,473
Translation differences	(344)	(1,471)	(148)	(127)	(1,596)	(516)	(4,202)
High inflation effect in Turkey	300	963	-	-	87	-	1,350
Increases	1,635	2,722	909	3,888	33,260	5,488	47,902
Decreases	-	(40)	(4)	(7)	(365)	-	(416)
Depreciation	(2,686)	(4,837)	(1,267)	(3,549)	(29,112)	-	(41,451)
Impairments (revaluations)	-	-	-	-	-	-	-
Reclassifications	-	2,410	1,400	542	381	(4,733)	-
Balance as at 30 September 2024	27,600	42,283	8,065	12,389	67,096	12,223	169,656
Historical cost	46,766	165,638	32,778	76,637	205,001	12,223	539,043
Accumulated depreciation	(19,166)	(123,355)	(24,713)	(64,248)	(137,905)	-	(369,387)
Balance as at 30 September 2024	27,600	42,283	8,065	12,389	67,096	12,223	169,656

The item Translation differences refers to the changes in exchange rates for the Brazilian companies (SIR Empreendimentos e Participações L.t.d.a., Lavsım Higienizaç o T xtil S.A., Maxlav Lavanderia Especializada S.A., Vida Lavanderias Especializada S.A., Aqualav Serviç os De Higienizaç o Ltda) and for the Turkish companies (Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi, Erg lteks Temizlik Tekstil Ltd. Sti.).

The item High inflation effect in Turkey refers to the application of IAS 29 to the historical cost of property, plant and equipment of the company Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi and Ergülteks Temizlik Tekstil Ltd. Sti.

The increases in the first nine months of 2024 mainly refer to investments in linen for Euro 31,107 thousand included in the item Other assets of which Euro 22,605 thousand relating to the Italy area and Euro 8,502 thousand relating to the Brazil area. These investments aim at a more efficient management of the warehouse, both in the case of a partial renewal of contracts and on occasion of the first supply for contracts acquired during the period in question.

The item Land and buildings recorded an increase of Euro 1,635 thousand mainly attributable to the change in the value of the right of use asset for the inflationary adjustment of lease contracts following the application of the IFRS 16 accounting standard.

The item Plant and Equipment recorded an increase of Euro 2,722 thousand, mainly relating to the plants in the Italy area for Euro 2,261 thousand, in the Brazil area for Euro 155 thousand and in the Turkish area for Euro 306 thousand.

The item Industrial and commercial equipment shows increases of Euro 3,888 thousand, of which Euro 1,657 thousand relating to the purchase of surgical instruments for the initial supply for new contracts acquired and Euro 2,231 thousand for the purchase of industrial equipment.

The increases in Assets under construction amounting to Euro 5,488 thousand relate to investment not yet operational, as well as works on third-party assets still in progress. At regional level, they are broken down for Euro 4,886 thousand in the Italy area, mainly relating to the wash-hire division, and for Euro 602 thousand in the Brazil area.

Reclassifications show decreases of Euro 4,733 thousand mainly relating to the entry into operation of new plants and machinery at the Parent Company, as well as works on assets realised by the Parent Company.

Intangible assets

This item changed as follows:

<i>(thousands of Euros)</i>	Trademarks, Software, Patents and Intellectual Property Rights	Customer contracts portfolio	Other intangible assets	Assets under construction and payments on account	Total
Historical cost	8,828	8,367	525	310	18,030
Accumulated amortisation	(7,808)	(6,640)	(525)	-	(14,973)
Balance as at 1 January 2024	1,020	1,727	-	310	3,057
Translation differences	(16)	-	-	-	(16)
High inflation effect in Turkey	(3)	-	-	-	(3)
Increases	283	-	-	116	399
Decreases	(1)	-	-	-	(1)
Amortisation	(385)	(249)	-	-	(634)
Impairments (revaluations)	-	-	-	-	-
Reclassifications	100	-	-	(100)	-
Balance as at 30 September 2024	998	1,478	-	326	2,802
Historical cost	9,128	8,323	466	326	18,243

Accumulated amortisation	(8,130)	(6,845)	(466)	-	(15,441)
Balance as at 30 September 2024	998	1,478	-	326	2,802

The increases in the item Trademarks, Software, Patents and Intellectual Property Rights are mainly attributable to the purchase by the Parent Company of software licences. In addition, please note the increase in Assets under construction and payments on account mainly relating to the purchase of new software licences by the Parent Company. The item High inflation effect in Turkey refers to the application of IAS 29 to the historical cost of intangible assets of the company Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi and Ergülteks Temizlik Tekstil Ltd. Sti.

Goodwill

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

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

<i>(thousands of Euros)</i>	as at 31 December 2023	Increases/ (Decreases)	Translation differences	as at 30 September 2024
CGU Italy	51,668	-	-	51,668
CGU Turkey	2,098	-	(308)	1,790
CGU Brazil	7,672	-	(873)	6,799
Total	61,438	-	(1,181)	60,257

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

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

At the date of approval of this interim report, no facts or events have taken place that may indicate an impairment loss in the goodwill recognised and tested for impairment at the end of 2023.

Equity-accounted investments

This item changed as follows:

<i>(thousands of Euros)</i>	as at 30 September 2024	as at 31 December 2023
Opening balance	28,442	29,674
Increases/(decreases)	(926)	(756)
Reclassifications	-	(1,500)
High inflation effect	1,786	-
OCI changes	(161)	(626)
Revaluations/(impairment)	1,312	1,948
Translation differences	(186)	(298)
Closing balance	30,267	28,442
of which recognised among Provisions for risk and charges	(5,204)	(4,581)
of which recognised among Equity-accounted investments	35,471	33,023

Revaluations and impairments include the portions of profits and losses recorded by the investees in the first nine months of 2024.

The item OCI changes, equal to negative Euro 161 thousand, corresponds the portion attributable to the Servizi Italia Group, within the scope of application of the equity method, of the change in fair

value of hedging derivatives subscribed by the company Ospedal Grando S.p.A. (subsidiary of associate company Finanza e Progetti S.p.A.).

There is also a positive effect of Euro 1,786 thousand on the company SAS Sterilizasyon Servisleri A.Ş. due to high inflation in Turkey.

The item Increases and decreases respectively includes decreases of Euro 1,000 thousand relating to the partial return of share capital by the company PSIS S.r.l. and the dividends paid by the company AMG S.r.l. for Euro 232 thousand, while there was an increase of Euro 306 thousand relating to the capital increase in the company SAS Sterilizasyon Servisleri A.Ş.

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

Other non-current assets

The item is broken down as follows:

<i>(thousands of Euros)</i>	as at 30 September 2024	as at 31 December 2023
Substitute tax Italian Decree Law 185/2008 subsequent years	338	507
Aqualav receivable in escrow account	1,326	1,496
Other non-current assets	160	528
Total	1,824	2,531

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

Trade receivables

Trade receivables amount to Euro 74,831 thousand as at 30 September 2024, down by Euro 310 thousand compared to 31 December 2023.

Starting from the beginning of the year until 30 September 2024, the Servizi Italia Group carried out a number of transactions concerning the disposal of receivables for a total amount of Euro 57,880 thousand or a consideration of Euro 57,270 thousand.

Other current assets

The item is broken down as follows:

<i>(thousands of Euros)</i>	as at 30 September 2024	as at 31 December 2023
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Receivables due from others	7,680	9,885
Prepayments	2,235	1,624
Guarantee deposits receivable	296	244
Accrued income	18	-
Total	10,229	11,753

The item Receivables due from others is mainly composed of the VAT receivable requested for reimbursement for a total of Euro 3,174 thousand (Euro 4,558 as at 31 December 2023) and, for the remainder, mainly of advances and receivables from social security institutions, all due within the year. The item Prepayments increased primarily as a result of rentals and insurance premiums that were recognised at the beginning of the year. The item Guarantee deposits refers to energy utilities and rental contracts.

Shareholders' equity

As at 30 September 2024, the fully subscribed and paid-up share capital of Servizi Italia S.p.A. was broken down into 31,809,451 ordinary shares with a nominal amount of Euro 1 each. In the first nine months of 2024, the Parent Company purchased 175,469 treasury shares for Euro 309 thousand, equal to 0.55% of the share capital, with an average purchase price of Euro 1.76 per share. Following these transactions, the Company held 2,683,221 treasury shares amounting to 8.44% of the share capital as at 30 September 2024. The value of the treasury shares held as at 30 September 2024 of Euro 6,486 thousand was classified as a reduction in shareholders' equity.

There was also a negative effect of Euro 5,315 thousand on the translation reserves in the equity of companies that prepare their financial statements in foreign currencies, mainly as a result of the depreciation of the Brazilian Real and the Turkish Lira, while there was a positive effect, in contrast to the depreciation of the currency, arising from the high inflation in Turkey following the adoption of IAS 29 in the amount of Euro 3,830 thousand.

Due to banks and other lenders

The item is broken down as follows:

(thousands of Euros)	as at 30 September 2024			as at 31 December 2023		
	Current	Non-current	Total	Current	Non-current	Total
Due to banks	61,522	42,182	103,704	59,209	38,867	98,076
Due to other lenders	4,155	26,300	30,455	3,993	27,518	31,511
Total	65,677	68,482	134,159	63,202	66,385	129,587

The portion of the payable falling due within 12 months relating to the item Due to banks as at 30 September 2024 shows a rise with respect to 31 December 2023 of Euro 2,313 thousand as a result of higher recourse to self-financing credit lines and the concomitant mortgage payments made during the period. The portion of the payable falling due beyond 12 months relating to the item Due to banks as at 30 September 2024 shows an increase compared to 31 December 2023 of Euro 3,315 thousand due to the net effect of the repayment of the loan instalments due during the year and the taking out of a new loan in the period for Euro 22,400 thousand with CF+ S.p.A. For the current portion, due to other lenders as at 30 September 2024 mainly relate to financial payables relating to

lease contracts, represented in the financial statements according to IFRS 16, for Euro 3,921 thousand.

The non-current portion of the balance as at 30 September 2024 is attributable to financial payables relating to lease contracts for Euro 26,259 thousand.

Provisions for risks and charges

The item is broken down as follows:

<i>(thousands of Euros)</i>	as at 30 September 2024	as at 31 December 2023
Opening balance	9,277	8,483
Provisions	1,053	1,872
Payments/resolutions	(1,043)	(993)
Translation differences	(332)	(85)
Closing balance	8,955	9,277
<i>Of which current</i>	833	1,783
<i>Of which non-current</i>	8,122	7,494

The item includes the provision for coverage of losses on equity investments for Euro 5,204 thousand, which refers to the equity investment in Shubhram Hospital Solutions Private Limited, and corresponds to the portion of the losses exceeding the value of the equity investment that will be covered in consideration of the commitments made with the local partner for the development of business in the Indian market. It should also be noted that the provisions recognised in the period amounted to Euro 1,053 thousand, of which Euro 740 thousand relate to the losses attributable to the Servizi Italia Group recorded by the equity investment in Shubhram Hospital Solutions Private Limited, while approximately Euro 213 thousand were allocated to various items by the Parent Company. It should be noted that, as already commented in the paragraph "Information on ongoing proceedings", the Parent Company has released an amount equal to Euro 833 thousand relating to the found portion in excess in accordance with rulings no. 139/2024 and 140/2024 of the Constitutional Court, previously allocated to meet the settlement request for Payback for medical devices for the years 2015-2018.

Other non-current financial liabilities

The item is broken down as follows:

<i>(thousands of Euros)</i>	as at 30 September 2024	as at 31 December 2023
Payable for Steritek S.p.A. put option	472	465
Total	472	465

Trade payables

The item is broken down as follows:

<i>(thousands of Euros)</i>	as at 30 September 2024	as at 31 December 2023
Due to suppliers	72,434	79,631
Due to associates	3,014	3,298
Due to parent company	4,006	4,660
Due to companies under the control of the parent companies	1,282	42
Total	80,736	87,631

Other current financial liabilities

The item is broken down as follows:

<i>(thousands of Euros)</i>	as at 30 September 2024	as at 31 December 2023
Deferred price Aqualav Serviços De Higienização Ltda	12	14
Payables to Wash Service S.r.l. shareholders	-	402
Total	12	416

The change in the item is primarily connected to the exercising of the purchase option right with respect to 10% of the share capital of Wash Service S.r.l. The deed of sale, finalised on 4 July 2024, provided for the payment by the Parent Company of a price of Euro 391 thousand.

Other current payables

The table below provides a breakdown of other current payables:

<i>(thousands of Euros)</i>	as at 30 September 2024	as at 31 December 2023
Deferred income and accrued expenses	978	1,372
Payables due to social security and welfare institutions	4,662	6,072
Due to employees	13,084	10,688
Employee/professional IRPEF (personal income tax) payable	1,515	2,142
Other payables	1,472	1,866
Total	21,711	22,140

The change in the item is mainly related to the payable to employees which, with respect to the comparison period, includes the progressive accrual of the related thirteenth month pay and bonuses.

5.4 Note on the main changes in the income statement

Raw materials and consumables

As at 30 September 2024, the consumption of raw materials amounted to Euro 19,957 thousand, down by Euro 647 thousand compared to the previous period, mainly as a result of the lower costs incurred for the purchase of disposable products and PPE, following the exit of certain orders in the Veneto area, as well as the decrease in costs incurred for the purchase of washing and chemical products and packaging, due to a reduction in purchase prices and the optimisation of the range of products used. Consumption also refers to the purchase of consumables, fuels and spare parts.

Costs for services

The item is broken down as follows:

(thousands of Euros)	from 1 January to 30 September	
	2024	2023
External laundering and other industrial services	26,614	24,939
Travel and transport	12,561	12,706
Utilities	12,559	16,441
Administrative costs	2,975	2,687
Consortium and sales costs	4,121	4,420
Personnel expense	2,650	2,471
Maintenance	6,922	6,740
Use of third-party assets	2,583	2,323
Other services	980	1,587
Total	71,965	74,314

The item Costs for services recorded a decrease of 3.2% compared to the same period of the previous year of Euro 2,349 thousand, from Euro 74,314 thousand in the first nine months of 2023 to Euro 71,965 thousand during the first nine months of 2024. However, there was a decrease in terms of incidence on revenues, which went from 34.6% in 2023 to 33.1% in 2024; this decrease is mainly attributable to lower costs incurred for utilities, which show a decrease of Euro 3,882 thousand compared to the same period of the previous year, or a decrease of 1.9% in terms of incidence on revenues.

The item External laundering and other industrial services recorded an increase of Euro 1,675 thousand, mainly due to greater use of external laundry and other services, also following new tenders with a different logistics and production structure with respect to the comparison period.

Personnel expense

The item is broken down as follows:

(thousands of Euros)	from 1 January to 30 September	
	2024	2023
Costs for directors' fees	762	875
Salaries and wages	47,469	46,443
Temporary work	4,694	3,575
Social security charges	15,752	15,360
Employee severance indemnity	2,826	2,799
Other costs	243	202
Total	71,746	69,254

The item Personnel expense went from Euro 69,254 thousand as at 30 September 2023 to Euro 71,746 thousand as at 30 September 2024, recording an increase of Euro 2,492 thousand. The increase is mainly attributable to the Italy area, as a result of the salary increases envisaged in the national collective agreement, and to the Turkey and Brazil areas, due to the inflation adjustments applied. It should be noted that the item is up both in absolute terms and in terms of relative incidence of 0.7% compared to the same period of 2023.

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

	Units as at 30 September	
	2024	2023
Executives	15	18
Middle managers	32	38
White-collar staff	388	369
Blue-collar staff	3,060	3,108
Total	3,495	3,533

Depreciation, amortisation and impairment

The item is broken down as follows:

(thousands of Euros)	from 1 January to 30 September	
	2024	2023
Amortisation of intangible assets	634	936
Depreciation of property, plant and equipment	41,469	41,030
Impairment and provisions	246	536
Total	42,349	42,502

The item Depreciation, amortisation and impairment recorded a decrease compared to the same period of the previous year of Euro 153 thousand, from Euro 42,502 thousand in the first nine months of 2023 to Euro 42,349 thousand in the same period of 2024, while the relative incidence is decreasing, from 19.8% to 19.5% in the first nine months of 2024.

Financial income and expenses

Financial income is broken down as follows:

(thousands of Euros)	from 1 January to 30 September	
	2024	2023
Bank interest income	31	8
Default interest	267	154
Interest income on loans to third-party companies	615	603
Other financial income	151	121
Total	1,064	886

Financial expenses are composed as follows:

<i>(thousands of Euros)</i>	from 1 January to 30 September	
	2024	2023
Interest expense and bank commission	(5,708)	(3,784)
Interest and expense to other lenders	(628)	(686)
High inflation effect	(973)	(597)
Financial expenses on employee benefits	(124)	(156)
Exchange rate losses	(729)	(1,018)
Other financial expenses	(2,450)	(3,024)
Total	(10,612)	(9,265)

Financial income rose from Euro 886 thousand as at 30 September 2023 to Euro 1,064 thousand as at 30 September 2024 - a positive change of Euro 178 thousand.

Financial expenses went from Euro 9,265 thousand as at 30 September 2023 to Euro 10,612 thousand as at 30 September 2024, an increase of Euro 1,347 thousand mainly due to the increase in interest rates recorded with respect to outstanding loans from credit institutions in Italy and Turkey. Also note the reduction in exchange rate losses over the period due to the lower depreciation recorded primarily by the Turkish lira with respect to the comparison period. During the period, it was also noted the negative effect of the adjustments to non-monetary items deriving from the application of IAS 29 - Hyperinflation by the Turkish companies Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi and Ergülteks Temizlik Tekstil Ltd. Sti for Euro 973 thousand as well as the write-down of financial interest income from the company Shubhram Hospital Solutions Private Ltd for a total of Euro 464 thousand. The item Other financial expenses includes, in the comparison period, the capital loss realised on the sale of the company Sanitary Cleaning Sh.pk equal to Euro 1,402 thousand.

Current and deferred taxes

The item is broken down as follows:

<i>(thousands of Euros)</i>	from 1 January to 30 September	
	2024	2023
Current taxes	1,244	1,435
Deferred tax (assets)/liabilities	469	(906)
Total	1,713	529

Taxes for the period amount to Euro 1,713 thousand (Euro 529 thousand as at 30 September 2023) and are mainly determined by the recognition in the income statement of current taxes for the period generated in the Italy area. The item deferred tax assets and liabilities went from Euro -906 thousand to Euro 469 thousand, recording a negative change of Euro 1,375 mainly due to the reabsorption during the first nine months of 2024 of the previous ACE tax losses and surpluses relating to the Parent Company.

5.5 Consolidated net financial position

(thousands of Euros)	30 September 2024	31 December 2023	30 September 2024
Cash and cash equivalents in hand	45	59	29
Cash at bank	4,010	4,672	4,136
Cash and cash equivalents	4,055	4,731	4,165
Current financial receivables	5,594	8,156	8,984
Current due to banks and other lenders	(65,677)	(63,202)	(71,737)
<i>of which Financial liabilities under IFRS 16</i>	<i>(3,921)</i>	<i>(3,852)</i>	<i>(3,779)</i>
Current net financial debt	(60,083)	(55,046)	(62,753)
Non-current due to banks and other lenders	(68,482)	(66,385)	(63,531)
<i>of which Financial liabilities under IFRS 16</i>	<i>(26,259)</i>	<i>(27,518)</i>	<i>(27,075)</i>
Non-current net financial debt	(68,482)	(66,385)	(63,531)
Net financial debt	(124,510)	(116,700)	(122,119)

The consolidated net financial position increased from Euro 116,700 thousand as at 31 December 2023 to Euro 124,510 thousand as at 30 September 2024, a negative change of Euro 7,810 thousand. The change in net financial debt as at 30 September 2024 compared to 31 December 2023 includes investments in materials, primarily textile linen products to be fed into the production process, for approximately Euro 45.1 million, and the payment of the dividend on the result for the 2023 financial year for Euro 0.9 million. The change, in addition to what has already been discussed above, is mainly due to a reduction in average payment times only partly mitigated by a decrease in the average collection times recorded during the period.

Also shown below is the total financial debt drawn up pursuant to the ESMA Recommendation of 4 March 2021 which is applicable from 5 May 2021, in which the value of Other current financial liabilities is recorded under the item Current financial debt and the value of Other non-current financial liabilities is recorded under item Non-current trade and other payables, as well as the summary of the Group's direct and indirect financial debt.

(thousands of Euros)	as at 30 September 2024	as at 31 December 2023	as at 30 September 2023
A. Cash	4,055	4,731	4,165
B. Cash equivalents	-	-	-
C. Other current financial assets	5,594	8,156	8,984
D. Liquidity (A)+(B)+(C)	9,649	12,887	13,149
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	(38,125)	(37,169)	(45,269)
F. Current portion of non-current financial debt	(27,564)	(26,449)	(26,883)
<i>of which Financial liabilities under IFRS 16</i>	<i>(3,921)</i>	<i>(3,852)</i>	<i>(3,779)</i>
G. Current financial indebtedness (E)+(F)	(65,689)	(63,618)	(72,152)
H. Net current financial indebtedness (G)-(D)	(56,040)	(50,731)	(59,003)
I. Non-current financial debt (excluding current portion and debt instruments)	(68,482)	(66,385)	(63,531)
<i>of which Financial liabilities under IFRS 16</i>	<i>(26,259)</i>	<i>(27,518)</i>	<i>(27,075)</i>
J. Debt instruments	-	-	-
K. Non-current trade and other payables	(472)	(465)	(463)
L. Non-current financial indebtedness (I)+(J)+(K)	(68,954)	(66,850)	(63,994)
M. Total financial indebtedness (H)+(L)	(124,994)	(117,581)	(122,997)

The Chairman of the Board of Directors

(Roberto Olivi)

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

The Financial Reporting Manager

(Angelo Minotta)